

# Comprehensive Annual Financial Report

Layton City Corporation

Layton, Utah

Fiscal Year Ended June 30, 2005

Prepared by:  
Finance Department

# LAYTON CITY CORPORATION

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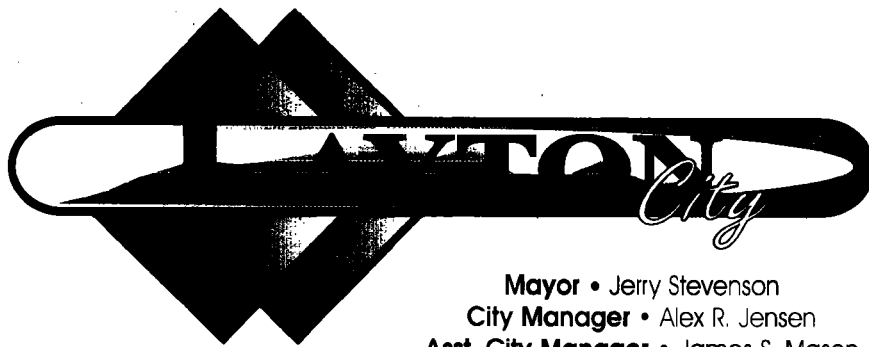


# Layton City Corporation

## Introductory Section

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• Finance Department •  
Steven M. Ashby • Director  
Telephone: (801) 336-3880  
FAX: (801) 336-3889

Mayor • Jerry Stevenson  
City Manager • Alex R. Jensen  
Asst. City Manager • James S. Mason

December 15, 2005

To the Honorable Mayor, City Council and Citizens of Layton City, Utah

State law requires that all cities publish, within six months of the close of the fiscal year, a complete set of financial statements presented in conformance to generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a qualified, licensed certified public accounting firm. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Layton City, Utah, for the fiscal year ended June 30, 2005.

These financial statements are prepared to comply with new reporting model requirements promulgated by the Government Accounting Standards Board (GASB) Statement 34. The city-wide statements consolidate all funds and component units of the City and use the full accrual basis of accounting with a flow of financial resources measurement focus. These city-wide statements make it easier to measure and analyze the changes in financial position over time.

This report consists of management's representations concerning the finances of Layton City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented herein. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile reliable information for the preparation of the financial statements in conformity with GAAP. The City's framework of internal controls is designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The cost of internal controls should not outweigh their benefit to the City. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The financial statements have been audited by Hansen, Bradshaw, Malmrose & Erickson, PC, a licensed certified public accounting firm qualified to perform audits of municipal governments. The goal of the independent audit was to provide reasonable assurance that the financial statements of Layton City for the fiscal year ended June 30, 2005, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Layton City's financial statements for

the fiscal year ended June 30, 2005, are fairly presented in conformity with GAAP. The independent auditors' report is presented at the beginning of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require that in addition to reporting on the fair presentation of the financial statements, the auditor test and report on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving federal awards and grants. These reports are included as a separate section of this report.

This comprehensive annual financial report is presented in four sections as follows:

1. The Introductory Section includes this letter of transmittal, the Government Finance Officers Associations reporting certificate, an organizational chart and a list of elected and appointed officials.
2. The Financial Section includes the independent auditor's report, management's discussion and analysis, the basic financial statements, combining and individual fund schedules, and schedules of capital assets used in governmental fund operations.
3. The Statistical Section includes tables and graphs of selected financial and demographic information. Some tables include ten year comparative history data.
4. The Compliance Report Section includes the independent auditor's reports that are required under the "Single Audit" for federal grants and the State legal compliance reports.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis. This section is found immediately following the independent auditor's report.

#### Brief Demographics and Government Structure

Layton City was incorporated in 1920 and is located in Davis County between the metropolitan areas of Salt Lake City to the south and Ogden City to the north. Layton is currently the largest city in Davis County with an estimated population of 66,310. The City is empowered by state statutes to function as a city of the third-class. Layton City has operated under a council-manager form of government since 1985. The governing body is composed of a mayor and five council members who are elected at large to four-year staggered terms. The governing body is the policy-making and legislative authority of the City. The Mayor is the chair of the governing body but only votes in case of a tie. The Mayor and City Council appoint a city manager who is delegated all administrative functions. The City Manager appoints department directors with the consent and approval of the governing body.

#### Reporting Entity and Its Services

This financial report includes the financial information of three legally separate entities, namely: Layton City Corporation, Redevelopment Agency of Layton City, Utah, and Davis Metro Narcotics Strike Force. They are included in this financial report because of their nature and close relationship. The City created the redevelopment agency to further the purposes of the City. The City voluntarily agreed to be the oversight and lead agency for the Davis Metro Narcotics Strike

Force, a multi-entity drug enforcement group. Additional information on these entities and their relationship can be found in the notes to the financial statements.

Layton City provides a full range of services, including police, fire, emergency medical, streets, water, sewer, storm sewer, planning, zoning, building inspection, parks, recreation and general administration.

### Economic Factors and Conditions

The City has enjoyed significant revenue growth over the past 15 years. The City has nearly doubled in population and revenues have grown by almost 4 times. The revenue has resulted mainly from growth along with some increases in utility fees and charges. Property tax rates and levies by the City have remained relatively constant. Layton City is the commercial retail hub of the northern part of the county with the only indoor mall. The City is bisected by the only north/south interstate highway in Utah and is convenient for both shoppers and businesses.

Layton City is adjacent to Hill Air Force Base, which is a major employer in the state and makes a significant contribution to the economics of northern Utah. They employ about 23,000 with 13,000 being civilians, 4,700 military, 3,700 contractors and 1,600 reservists. The annual payroll is approximately \$750 million.

Layton City experienced a slow down in the economy during 2002 and 2003. Economic activity improved in 2004 and has continued to be strong in the first half of 2005. The state and local economies have been strong and are projected to remain so in the near term.

### Major Initiatives

The City's major initiative continues to be the construction of infrastructure to service growth. Additional streets, water storage and distribution lines, sewer lines, storm water facilities and parks are the prominent focus of the five year capital improvement plan.

### Cash Management

Cash and investments of the various City funds are pooled together and temporary idle money is invested in the Utah State Treasurer's investment pool and a local bank. Interest received from the temporary investments for all funds was \$280,483 for the year ended June 30, 2005. Interest rates increased slightly during the year and interest revenue was 15.36% more than the previous year.

### Risk Management

The City is a member of the Utah Risk Management Mutual Association (URMMA), which is an inter-local cooperative entity formed by a group of cities to promote risk management practices and procure liability insurance on a group basis. Member cities must adhere to various training and risk mitigation practices designed to reduce accidental losses. The member cities self insure the first \$15,000 of liability and URMMA insures above that amount up to \$6,000,000 per occurrence.



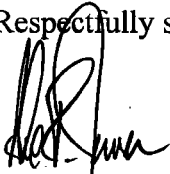
### Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Layton City for its comprehensive annual financial report for the fiscal year ended June 30, 2004. This was the tenth consecutive year that the City has achieved this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements.

We would like to thank the finance department staff for their efforts in preparing this report. Due credit for the excellent financial condition of the City should be given to the Mayor and City Council for their support of conservative financial planning. We believe that the administration of the financial operations of the City continues to be responsible, progressive and frugal.

Respectfully submitted,



Alex R. Jensen  
City Manager



Steven M. Ashby  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Layton City Corporation,  
Utah

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2004

A Certificate of Achievement for Excellence in Financial  
Reporting is presented by the Government Finance Officers  
Association of the United States and Canada to  
government units and public employee retirement  
systems whose comprehensive annual financial  
reports (CAFRs) achieve the highest  
standards in government accounting  
and financial reporting.



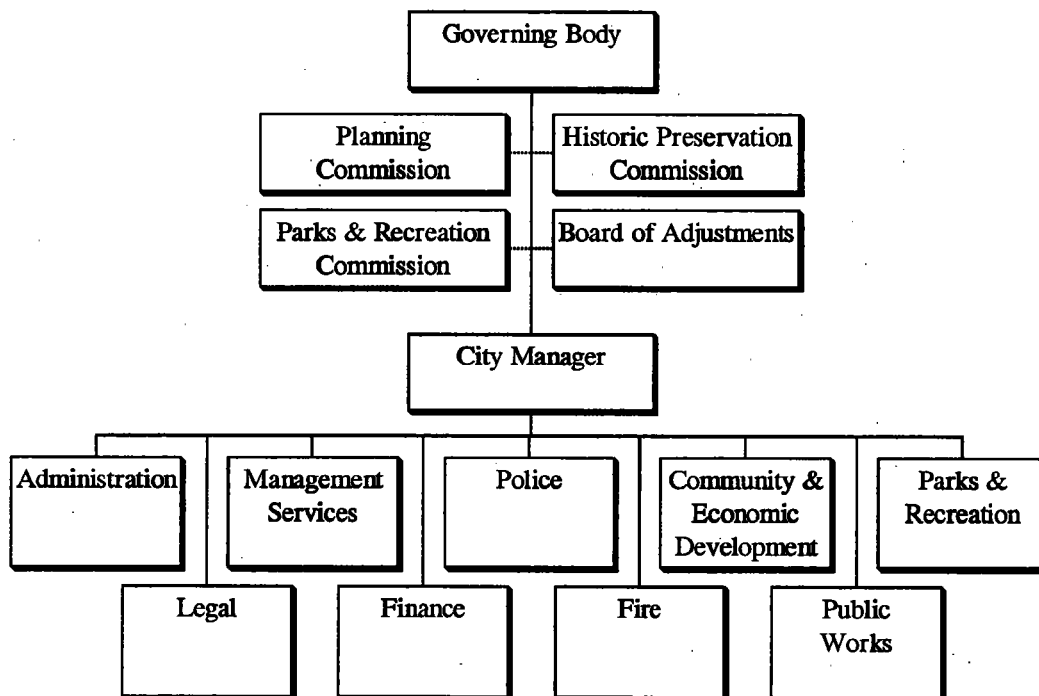
*Nancy L. Zeller*

President

*Jeffrey R. Emer*

Executive Director

# Layton City Corporation Organization Chart



# **LAYTON CITY CORPORATION**

## **Listing of Principal City Officials**

### **Governing Body**

Mayor ..... Jerry W. Stevenson  
Council Member ..... Winslow L. Hurst  
Council Member ..... J. Stephen Curtis  
Council Member ..... Stephen G. Handy  
Council Member ..... F. Renny Knowlton  
Council Member ..... Joyce F. Brown

### **City Manager**

City Manager ..... Alex R. Jensen

### **Management Staff**

Assistant City Manager ..... James S. Mason  
Director of Management Services ..... James S. Mason  
Director of Public Works ..... Terry R. Coburn  
Director of Community & Economic Development ..... J. Scott Carter  
City Attorney ..... Gary R. Crane  
Chief of Police ..... Terry M. Keefe  
Chief of Fire ..... Kevin C. Ward  
Director of Parks and Recreation ..... F. Dean Allen  
Director of Finance ..... Steven M. Ashby

### **Other Administrative Officials**

City Treasurer ..... Bryan R. Steele  
City Recorder ..... Thieda R. Wellman  
Deputy City Recorder ..... Steven M. Ashby  
City Engineer ..... David K. Decker

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# Layton City Corporation

## Financial Section

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# Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation  
CERTIFIED PUBLIC ACCOUNTANTS

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*Members of the  
American Institute  
of Certified Public  
Accountants*

*Members of the  
Private Company  
Practice Section*

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Honorable Mayor and Members of the City Council  
City of Layton, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Layton, Utah (the City), as of and for the year ended June 30, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Layton, Utah, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2005, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 10-19, is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis are not a required part of the basic financial statements. The schedule of expenditures of federal awards, the combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Hansen, Bradshaw, Malmrose & Erickson, P.C.*

November 3, 2005

## Management's Discussion and Analysis

The management of Layton City presents the following narrative and analysis of the financial statements and financial activities of Layton City as prescribed by the Government Accounting Standards Board (GASB). The information and analysis pertains to the fiscal year ended June 30, 2005.

### Financial Highlights

The assets of Layton City exceeded its liabilities at June 30, 2005 by \$104,460,422 (net assets). Of this amount \$14,764,768 (unrestricted net assets) may be used to meet the government's ongoing obligations.

Layton City's total net assets increased \$8,017,785. Elements of the increase were: 1) capital assets contributed by developers (water lines, sewer lines, storm sewer lines, streets, etc.) \$5,287,100; 2) ongoing operations of the governmental activities provided \$1,758,566; and 3) ongoing operations of the business-type activities provided \$972,119.

Layton City's governmental funds reported combined ending fund balances of \$7,375,834 at June 30, 2005, a decrease of \$704,900 in comparison to the previous year. Of the ending fund balances, \$4,701,120 is available for spending at the City's discretion (unreserved fund balance).

At June 30, 2005, unreserved fund balance of the general fund was \$4,063,440, or 19.41% of total general fund expenditures for the year.

Layton City's total debt decreased \$1,214,642 that resulted from principal payments on bonds and notes.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Layton City's basic financial statements. Layton City's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements The government-wide financial statements are designed to provide a broad overview of Layton City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of Layton City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as an indicator of changes in the financial position of the City.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. For example, uncollected taxes that have been levied but not received.

Both of the government-wide financial statements distinguish functions of Layton City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and

charges (business-type activities). The governmental activities of Layton City include general government, public safety, community and economic development, streets and public improvements, and parks and recreation. The business-type activities of Layton City include services for water, sewer (sanitary), storm sewer, refuse, athletic programs, swimming pool and emergency medical services (EMS).

The government-wide financial statements include Layton City (known as the primary government) and two separate legal entities (known as component units). The financial information for the Redevelopment Agency of Layton City, Utah (Agency), and Davis Metro Narcotics Strike Force (Strike Force) are included in the statements. Because the City's governing body is the same as the governing board of the Agency, and can substantially control them, their financial information is blended and reported together with the financial information presented for the primary government. The Strike Force is blended with the primary government because the administration, fiscal, and accounting affairs are so intertwined with other public safety functions of the City.

Fund financial statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Layton City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. All funds of Layton City can be divided into two categories: governmental funds, and proprietary funds.

Governmental funds Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Layton City maintains twelve (12) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for general fund and capital projects fund, which are considered to be major funds. Data from the other ten (10) governmental funds are combined into a single, aggregate presentation. Individual fund data for each governmental fund is provided in the form of individual and combining statements elsewhere in this report.

Layton City adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

Proprietary funds Layton City maintains one type of proprietary fund known as an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for water, storm sewer, sewer, refuse, swimming pool, emergency medical services and athletic programs.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water, storm sewer, sewer, and refuse funds because they are considered to be major funds. Conversely, the swimming pool, emergency medical services and athletic programs funds are considered to be nonmajor and are combined into a single aggregated presentation. Individual fund and combining financial statements are provided elsewhere in this report.

Notes to the financial statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information In addition to the basic financial statements and accompanying notes, this report also presents combining and individual schedules referred to earlier in connection with nonmajor governmental funds. They are presented immediately following the notes to the financial statements. Selected statistical information is presented in tabular and chart form. Auditor reports on compliance are also included at the end of the document.

### Government-wide Financial Analysis

As noted earlier, net assets is an indicator of a government's financial position. In the case of Layton City, assets exceeded liabilities by \$104,460,422 at the close of the fiscal year.

The largest portion of the City's net assets (82.68%) reflects its investment in capital assets (land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Layton City Net Assets

	Governmental activities 2005	Governmental activities 2004	Business- Type activities 2005	Business- Type activities 2004	Total 2005	Total 2004
Current and other assets	\$16,265,704	\$17,648,223	\$8,018,444	\$9,482,420	\$24,284,148	\$27,130,643
Capital assets	34,003,316	29,713,656	59,021,250	55,035,816	93,024,566	84,749,472
Total assets	50,269,020	47,361,879	67,039,694	64,518,236	117,308,714	111,880,115
Long-term liabilities outstanding	5,618,473	6,371,100	3,106,633	3,359,169	8,725,106	9,730,269
Other liabilities	3,183,567	4,367,275	939,619	1,339,934	4,123,186	5,707,209
Total liabilities	8,802,040	10,738,375	4,046,252	4,699,103	12,848,292	15,437,478
Net assets:						
Invested in capital assets, net of related debt	30,193,316	25,098,656	56,171,250	51,882,029	86,364,566	76,980,685
Restricted	2,513,901	1,836,363	817,187	836,523	3,331,088	2,672,886
Unrestricted	8,759,763	9,688,485	6,005,005	7,100,581	14,764,768	16,789,066
Total net assets	\$41,466,980	\$36,623,504	\$62,993,442	\$59,819,133	\$104,460,422	\$96,442,637

A portion of the City's net assets (3.19%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$14,764,768) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City was able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Layton City Changes in Net Assets

	Govern- mental activities 2005	Govern- mental activities 2004	Business- type activities 2005	Business- type activities 2004	Total 2005	Total 2004
Revenues:						
Program revenues:						
Charges for services	\$3,631,115	\$3,926,993	\$12,982,642	\$13,328,471	\$16,613,757	\$17,255,464
Operating grants and contributions	1,304,270	819,492	47,015	21,579	1,351,285	841,071
Capital grants and contributions	3,302,679	3,973,179	2,484,570	2,943,312	5,787,249	6,916,491
General revenues:						
Property and uniform vehicle taxes	6,039,137	5,667,421			6,039,137	5,667,421
Other taxes	13,674,008	11,784,586			13,674,008	11,784,586
Other	2,491,168	2,600,639	138,531	131,986	2,629,699	2,732,625
Total revenues	30,442,377	28,772,310	15,652,758	16,425,348	46,095,135	45,197,658
Expenses:						
General government	3,694,412	3,679,261			3,694,412	3,679,261
Public safety	11,235,734	10,214,826			11,235,734	10,214,826
Community and economic development	1,629,579	2,286,924			1,629,579	2,286,924
Streets and public improvements	4,315,545	3,469,524			4,315,545	3,469,524
Parks and recreation	4,019,278	2,397,813			4,019,278	2,397,813
Interest on long-term debt	88,718	138,844			88,718	138,844
Water			4,114,505	3,715,173	4,114,505	3,715,173
Storm sewer			1,061,377	1,167,092	1,061,377	1,167,092
Sewer			3,023,986	2,995,400	3,023,986	2,995,400
Refuse			2,772,872	2,932,868	2,772,872	2,932,868
Swimming pool			760,232	735,506	760,232	735,506
EMS			1,136,940	963,061	1,136,940	963,061
Athletic programs			224,172	229,192	224,172	229,192
Total expenses	24,983,266	22,187,192	13,094,084	12,738,292	38,077,350	34,925,484
Increase in net assets before transfers	5,459,111	6,585,118	2,558,674	3,687,056	8,017,785	10,272,174
Transfers	(615,635)	(245,025)	615,635	245,025		
Increase in net assets	4,843,476	6,340,093	3,174,309	3,932,081	8,017,785	10,272,174
Net assets, beginning - as previously reported	36,623,504	30,059,826	59,819,133	54,280,280	96,442,637	84,340,106
Prior period adjustment		223,585		1,606,772		1,830,357
Net assets, beginning - as restated	36,623,504	30,283,411	59,819,133	55,887,052	96,442,637	86,170,463
Net assets, ending	\$41,466,980	\$36,623,504	\$62,993,442	\$59,819,133	\$104,460,422	\$96,442,637

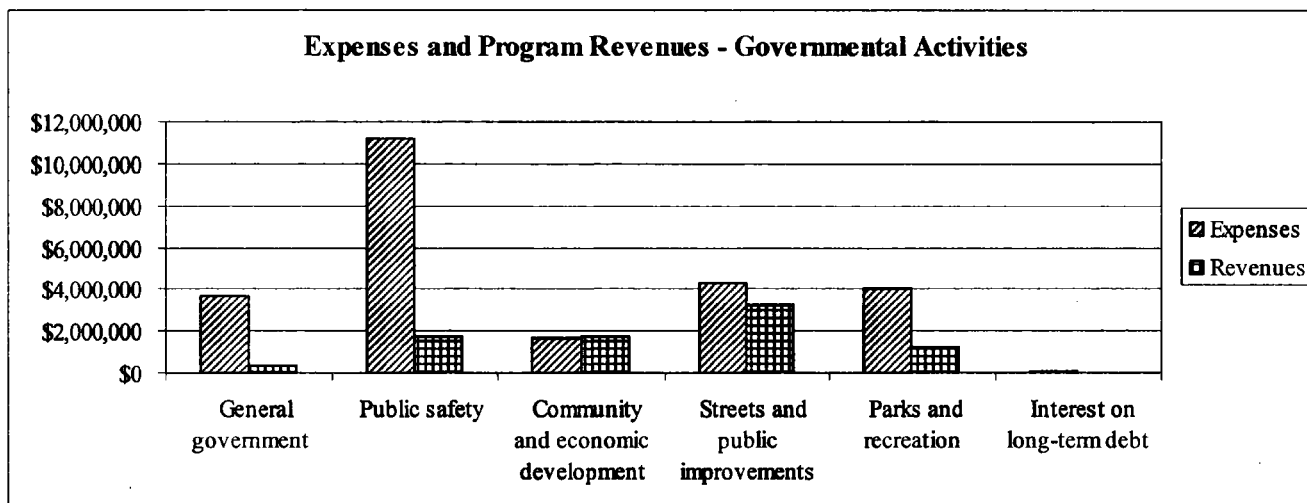
Governmental activities As noted in the table above, governmental activities increased the City's net assets by \$4,843,476. Key elements of the increase were as follows:

1. Capital contributions for governmental type activities of \$3,084,910 came from developer contributions of streets and related infrastructure including the underlying land.
2. Franchise, telecommunications and energy sales taxes increased \$1,080,216 during the year. Most of the increase came from telecommunications taxes and resulted from changes made by the state legislature which broadened the application of the tax to include wireless services.

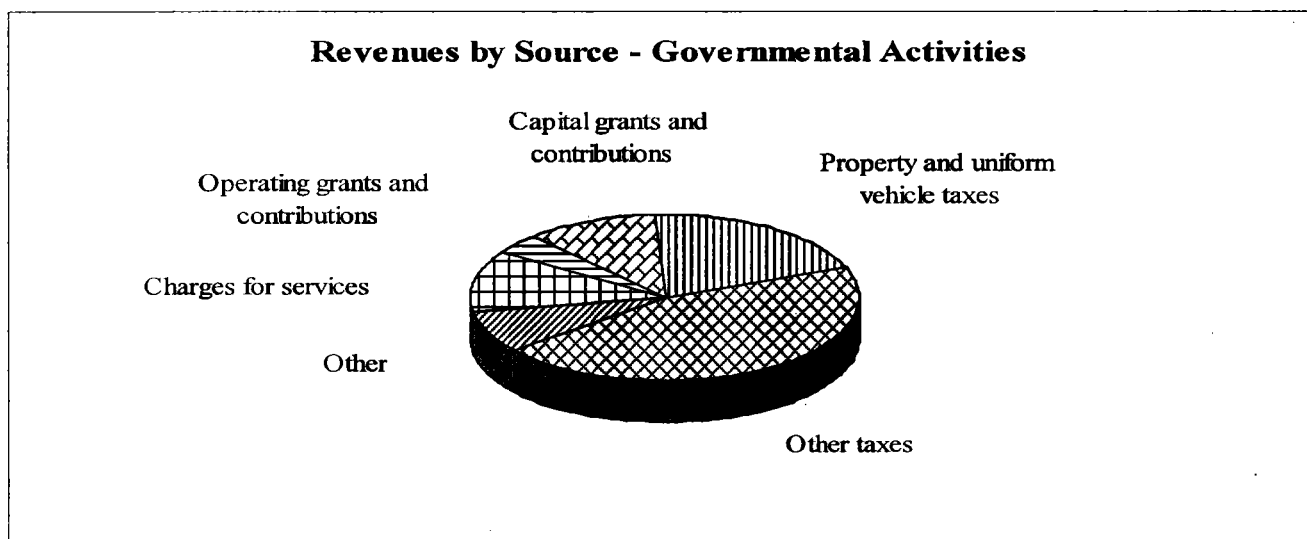


### 3. Operations of governmental activities accounted for the balance of the increase.

Traditionally governmental activities are funded by general revenue sources (i.e. taxes) rather than program revenues like charges for services. The following chart depicts governmental activity expenses compared to program revenues attributed to the activity.



The following chart displays the major sources of governmental activity revenue. Taxes account for 64.76% of the revenue that funds governmental activities.

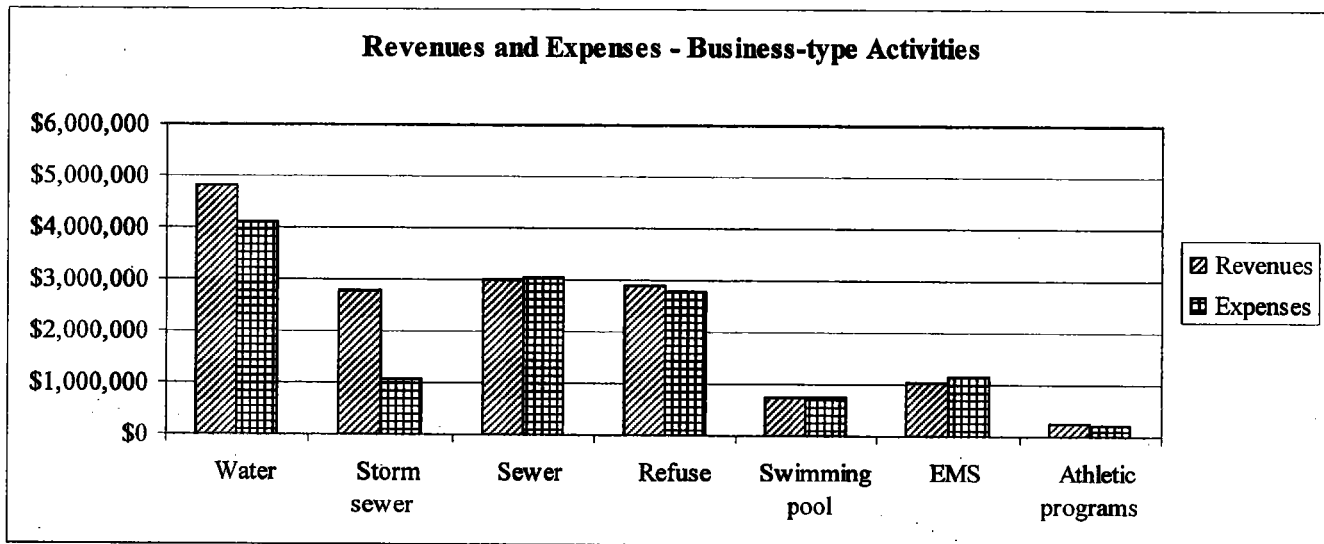


Business-type activities As noted previously in the table "Layton City Changes in Net Assets," business-type activities increased the City's net assets by \$3,174,309. Key elements of the increase were as follows:

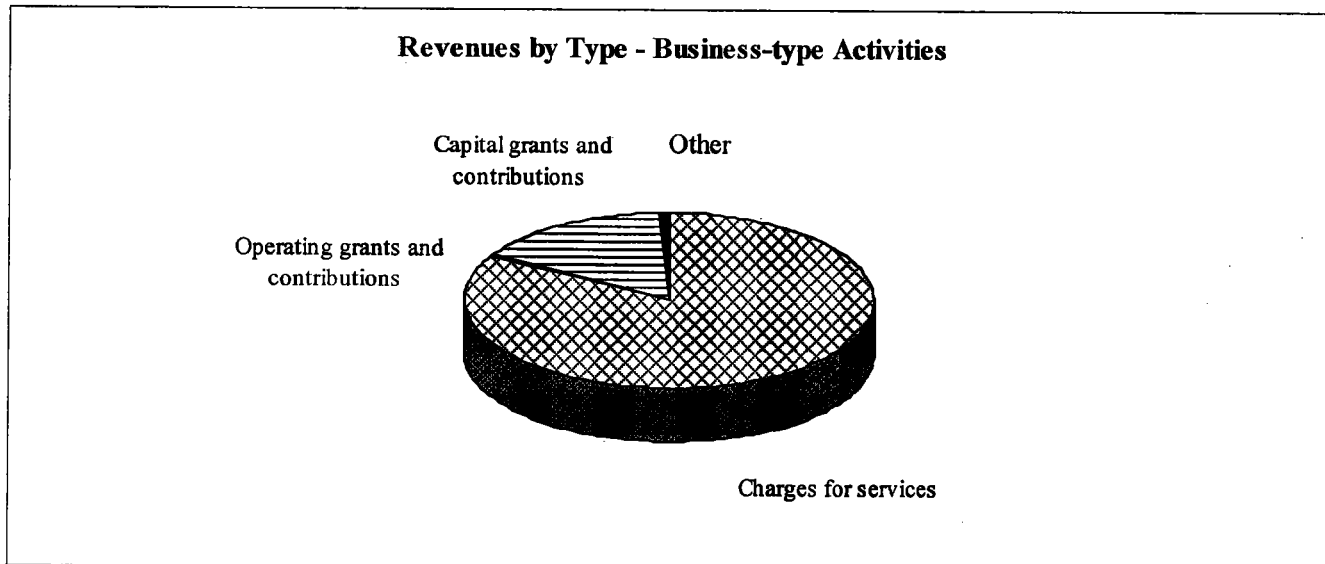
1. Capital contributions for business type activities of \$2,202,190 came from developers for contributions of various utility lines and related systems.
2. Charges for services (water fees), decreased \$814,658 during the year. In large measure this was the result of a wetter local climate. Previous years were considered drought years and customers used more water for outdoor landscape.

3. Operations of the remaining business-type activities increased the balance of net assets and resulted from growth.

Traditionally business-type activities are self supporting and the chart depicts the relationship of revenues to expenses. The swimming pool and EMS (Emergency Medical Services) programs did not generate enough program revenue and are supported by transfers from general revenue sources of the governmental activities. The following chart displays the business-type activities revenues compared to program expenses attributed to the activity.



Business-type activities are generally funded by charges for services and 82.94% of total revenue came from charges for services. The following chart displays the major groupings of business-type revenues:



### Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance is a useful measure of the government's net resources available for spending at the end of the fiscal year.

At June 30, 2005, the City's governmental funds reported combined ending fund balances of \$7,375,834, a decrease of \$704,900 in comparison with the prior year. Approximately 63.74% of the fund balance amount (\$4,701,120) constitutes unreserved fund balance, which is available for spending at the government's discretion. The reserved fund balance is not available for new spending because it has already been committed. The key factor of the decrease in fund balances was expenditures for capital projects including a major street widening project.

The general fund is the main operating fund of the City. At June 30, 2005, unreserved fund balance of the general fund was \$4,063,440, while the total fund balance amounted to \$4,264,170. A comparison of the unreserved fund balance and total fund balance to total general fund expenditures is a measure of liquidity. Unreserved fund balance represented 19.41% of total general fund expenditures, while total fund balance represented 20.37% of total general fund expenditures.

The City's general fund balance decreased by \$675,371 during the fiscal year ended June 30, 2005.

Proprietary funds The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Water fund Unrestricted net assets at June 30, 2005, amounted to \$1,508,180, a decrease of 40.53% from the previous year. Operating revenues decreased 10.02% and operating expenses increased 10.69%. The revenue decrease resulted from lower consumption of water for outdoor use. Expense increases were largely a result of growth and cost inflation. Developer contributions of water lines and related systems amounted to \$307,046.

Storm sewer fund Unrestricted net assets at June 30, 2005, amounted to \$1,283,785, an increase of 21.12% from the previous year. Operating revenues increased 3.42%, which resulted from growth. Operating expenses decreased 9.06%. Developer contributions of storm sewer lines and related systems amounted to \$679,302.

Sewer fund Unrestricted net assets at June 30, 2005, amounted to \$2,528,455, a decrease of 10.94% from the previous year. Operating revenues and expenses increased .91% and .90% respectively. Developer contributions of sewer lines and related systems amounted to \$296,080.

Refuse fund Unrestricted net assets at June 30, 2005, amounted to \$339,052, an increase of 53.21%. Operating revenues and expenses decreased 4.31% and 5.46% respectively. The revenue and expense decrease resulted from a decrease in the cost of disposal. The City participates in a special waste disposal district and the district decreased the fees charged to the City. The City reduced the fee charged to the customer.

#### General Fund Budgetary Highlights

During the fiscal year, the general fund's original budget was amended from \$24,935,048 (\$21,126,487 expenditures and \$3,808,561 transfers) to a final budget total of \$25,345,139 (\$21,429,534 expenditures and \$3,915,605 transfers), an increase of \$410,091. The increase was partially for personnel costs in the fire department. A change was made to increase the full-time personnel shift hours and reduce the fill in

hours by paid-on-call employees. Full time personnel cost more per hour than paid-on-call employees. A change was also made to the annual full-time personnel pay range. This will, over time, offset the immediate increases and save the City money.

In addition to the above, the fire department provided more services than anticipated in the original budget and required additional money.

Actual expenditures and transfers amounted to \$24,847,145. This was \$497,994 less than the final budget. With the exception of the fire department, all other departments spent less than was appropriated in the final budget. Department managers were frugal stewards of their appropriations and only spent what was needed.

### Capital Assets and Debt Administration

**Capital assets** Layton City's investment in capital assets for governmental and business-type activities as of June 30, 2005, was \$93,024,566 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure and construction in progress. The total increase in the City's investment in capital assets for the current year was \$8,275,094 or 9.76% (14.44% increase for governmental activities and 7.24% increase for business-type activities).

Major capital asset events during the current year included the following:

- 1) Street improvements constructed with City funds, \$1,189,337
- 2) Two new ambulances, \$237,000; Street sweeper, \$175,877; Fire ladder truck, \$700,849
- 3) Parks and recreation office expansion, \$282,380
- 4) Park construction and improvements, \$722,884
- 5) Developer contribution of streets, including the underlying land, \$2,586,789
- 6) Various utility systems constructed with City funds, \$3,408,383
- 7) Developer contribution of utility lines and related systems, \$1,282,428

### Layton City Capital Assets (net of depreciation)

	Governmental activities 2005	Governmental activities 2004	Business- type activities 2005	Business- type activities 2004	Total 2005	Total 2004
Land	\$7,737,239	\$6,206,519	\$455,745	\$392,436	\$8,192,984	\$6,598,955
Buildings	9,134,668	9,359,170	715,275	445,585	9,849,943	9,804,755
Improvements other than buildings	720,762	853,204	17,430	69,996	738,192	923,200
Equipment and utility systems	4,357,562	3,972,575	55,472,228	52,686,488	59,829,790	56,659,063
Infrastructure	9,999,838	4,328,142			9,999,838	4,328,142
Construction in progress	2,053,247	4,994,046	2,360,572	1,441,311	4,413,819	6,435,357
Total	\$34,003,316	\$29,713,656	\$59,021,250	\$55,035,816	\$93,024,566	\$84,749,472

Additional information on the City's capital assets is available in the notes to the financial statements.

**Long-term debt** On June 30, 2005, the City had total bonded debt outstanding of \$6,660,000. The entire amount was from a sales tax revenue obligation. Of the total sales tax bonds, \$2,850,000 was accounted for in the water fund business-type activity. In addition to the bonded debt, the City had a note payable in the amount of \$577,931.

### Layton City Outstanding Debt General Obligations and Revenue Bonds

	Govern- mental activities 2005	Govern- mental activities 2004	Business- type activities 2005	Business- type activities 2004	Total 2005	Total 2004
Note payable	\$577,931	\$683,786			\$577,931	\$683,786
Revenue bonds	3,810,000	4,615,000	\$2,850,000	\$3,153,787	6,660,000	7,768,787
Total	\$4,387,931	\$5,298,786	\$2,850,000	\$3,153,787	\$7,237,931	\$8,452,573

The City's total debt decreased by \$1,214,642 (14.37%) during the current fiscal year and resulted from principal payments.

The City received and has maintained an 'AAA' rating from Standard and Poor's and Fitch rating agencies on the sales tax revenue debt (\$6,660,000 outstanding). The underlying ratings by Standard and Poor's and Fitch were AA- by both agencies. The AAA ratings were achieved by the use of credit insurance that guaranteed the payment of both principal and interest. The note payable (\$577,931 outstanding) will be paid solely from a newly imposed transient room tax. The transient room tax will go entirely to the debt retirement until it is paid.

The Utah State Constitution limits the amount of general obligation debt a municipal government may issue at 4% of its total taxable property value, except cities of the third class (Layton City is classified as a third class city) may issue debt up to an additional 8% of its total taxable property value for water systems, artificial lighting systems or sewer systems. On June 30, 2005, the City's limitation would be \$94,248,038 under the 4% limitation and \$188,496,076 under the additional 8% limitation. Layton City has no outstanding debt under the 4% limitation or the additional 8% limitation.

#### Economic Factors and Next Year's Budgets and Rates

1. The seasonally adjusted unemployment rate for Davis County as reported by the Utah Department of Workforce Services for June 2005 was 4.5%. The rate reported for the State of Utah for June 2005 was 4.7%. These compare favorably to the national seasonally adjusted rate reported by the U.S. Department of Labor, Bureau of Labor and Statistics for June 2005 of 5.0%. The county and the state unemployment rates have been gradually dropping for the past year.
2. The Governor's Office of Planning and Budget for 2005 predicts a strong economic environment with population and jobs growing at about 2.4%.
3. Inflationary trends of the state and region compare similarly to the national indices.

These and other factors were considered in preparing Layton City's budget for the 2005-2006 fiscal year.

During the fiscal year, total fund balance of the general fund decreased \$675,361, but the unreserved fund balance of the general fund increased \$453,889. This change put the general fund into a more flexible financial position.

The City appropriated \$278,990 from the general fund unreserved fund balance in the 2005-2006 fiscal year budget.

### Requests for Information

This financial report is designed to provide a general overview of Layton City's activities for those with an interest in the City's operations and position. Questions concerning the information provided in this report or requests for additional financial information should be addressed to: Layton City, Finance Director, 437 N Wasatch Drive, Layton, UT 84041.



# Layton City Corporation

## Basic Financial Statements

# LAYTON CITY CORPORATION

## STATEMENT OF NET ASSETS

June 30, 2005

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$5,412,595	\$5,070,229	\$10,482,824
Receivables, net	8,872,376	2,327,108	11,199,484
Inventory		2,958	2,958
Prepaid expense	25,460	499,428	524,888
Deferred charges	172,199	50,650	222,849
Restricted assets:			
Cash and cash equivalents	1,783,074		1,783,074
Investment in water stocks and rights		68,071	68,071
Capital assets (net of accumulated depreciation):			
Land	7,737,239	455,745	8,192,984
Buildings	9,134,668	715,275	9,849,943
Improvements other than buildings	720,762	17,430	738,192
Infrastructure	9,999,838		9,999,838
Equipment and utility systems	4,357,562	55,472,228	59,829,790
Construction in progress	2,053,247	2,360,572	4,413,819
Total assets	50,269,020	67,039,694	117,308,714
<b>Liabilities</b>			
Accounts payable	653,226	761,070	1,414,296
Accrued liabilities	1,310,178	94,682	1,404,860
Payable to other governments		48,044	48,044
Accrued bond interest payable	46,486	34,773	81,259
Customer deposits	979,681	1,050	980,731
Due to developers	45,517		45,517
Unearned revenue	20,566		20,566
Bond issuance premium	127,913		127,913
Noncurrent liabilities:			
Due within one year	2,069,227	455,000	2,524,227
Due in more than one year	3,549,246	2,651,633	6,200,879
Total liabilities	8,802,040	4,046,252	12,848,292
<b>Net assets</b>			
Invested in capital assets, net of related debt	30,193,316	56,171,250	86,364,566
Restricted for:			
Class c roads	608,417		608,417
Street construction	757,895		757,895
Park development	49,964		49,964
E911 operations	294,232		294,232
Debt service	803,393		803,393
Storm sewer development		817,187	817,187
Unrestricted	8,759,763	6,005,005	14,764,768
Total net assets	\$41,466,980	\$62,993,442	\$104,460,422

The notes to the financial statements are an integral part of this statement



# LAYTON CITY CORPORATION

## STATEMENT OF ACTIVITIES

For the year ended June 30, 2005

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
General government	\$3,694,412	\$279,128	\$50,433		
Public safety	11,235,734	915,760	589,742	\$217,769	
Community and economic development	1,629,579	1,383,966	389,863		
Streets and public improvements	4,315,545	115,842		3,084,910	
Parks and recreation	4,019,278	936,419	274,232		
Interest on long-term debt	88,718				
<b>Total governmental activities</b>	<b>24,983,266</b>	<b>3,631,115</b>	<b>1,304,270</b>	<b>3,302,679</b>	
<b>Business-type activities:</b>					
Water	4,114,505	4,134,340		692,176	
Storm sewer	1,061,377	1,577,321		1,213,934	
Sewer	3,023,986	2,707,734		296,080	
Refuse	2,772,872	2,890,622			
Swimming pool	760,232	464,786		282,380	
EMS	1,136,940	972,888	47,015		
Athletic programs	224,172	234,951			
<b>Total business-type activities</b>	<b>13,094,084</b>	<b>12,982,642</b>	<b>47,015</b>	<b>2,484,570</b>	
<b>Total all activities</b>	<b>\$38,077,350</b>	<b>\$16,613,757</b>	<b>\$1,351,285</b>	<b>\$5,787,249</b>	
<b>General revenues:</b>					
Property and uniform vehicle taxes					
Sales and use taxes					
Franchise, telecommunication and energy sales taxes					
Transient room tax					
Class c road allotment (shared fuel taxes)					
Investment earnings					
Miscellaneous					
Gain on sale of capital assets					
Transfers					
<b>Total general revenues and transfers</b>					
Change in net assets					
Net assets - beginning					
Net assets - ending					

The notes to the financial statements are an integral part of this statement

# LAYTON CITY CORPORATION

## BALANCE SHEET GOVERNMENTAL FUNDS June 30, 2005

	General	Capital Projects	Other Governmental	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$3,002,685	\$1,665,413	\$744,497	\$5,412,595
Receivables:				
Taxes and intergovernmental	8,440,463		75,546	8,516,009
Accounts	47,884		71,350	119,234
Grants	67,594		168,927	236,521
Special assessments	612			612
Due from other funds	8,614	312,329	893	321,836
Prepaid	25,460			25,460
Restricted assets:				
Cash and cash equivalents	979,681		803,393	1,783,074
<b>Total assets</b>	<b>\$12,572,993</b>	<b>\$1,977,742</b>	<b>\$1,864,606</b>	<b>\$16,415,341</b>
<b>Liabilities and fund balance</b>				
Liabilities:				
Accounts payable	\$343,756	\$201,136	\$108,334	\$653,226
Accrued liabilities	1,306,912		3,266	1,310,178
Customer deposits	979,681			979,681
Due to developers	45,517			45,517
Due to other funds			321,836	321,836
Unearned revenue			20,566	20,566
Deferred revenue	5,632,957		75,546	5,708,503
<b>Total liabilities</b>	<b>8,308,823</b>	<b>201,136</b>	<b>529,548</b>	<b>9,039,507</b>
Fund balance:				
Reserved for:				
Class c roads	42,363	566,054		608,417
Street construction		559,814	198,081	757,895
Park development		18,914	31,050	49,964
E911 operations			294,232	294,232
Debt service			803,393	803,393
Encumbrances	158,367		2,446	160,813
<b>Total reserved fund balance</b>	<b>200,730</b>	<b>1,144,782</b>	<b>1,329,202</b>	<b>2,674,714</b>
Unreserved, reported in				
General fund	4,063,440			4,063,440
Debt service fund			52,739	52,739
Capital project funds		631,824	(313,222)	318,602
Special revenue funds			266,339	266,339
<b>Total unreserved fund balance</b>	<b>4,063,440</b>	<b>631,824</b>	<b>5,856</b>	<b>4,701,120</b>
<b>Total fund balances</b>	<b>4,264,170</b>	<b>1,776,606</b>	<b>1,335,058</b>	<b>7,375,834</b>
<b>Total liabilities and fund balances</b>	<b>\$12,572,993</b>	<b>\$1,977,742</b>	<b>\$1,864,606</b>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	34,003,316
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	5,880,702
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(5,792,872)
<b>Net assets of governmental activities</b>	<b>\$41,466,980</b>

The notes to the financial statements are an integral part of this statement

# LAYTON CITY CORPORATION

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For the year ended June 30, 2005

	General	Capital Projects	Other Governmental	Total Governmental Funds
<b>Revenues:</b>				
Taxes and special assessments	\$19,105,114		\$86,353	\$19,191,467
Licenses and permits	1,157,542			1,157,542
Intergovernmental	2,141,565		849,350	2,990,915
Charges for services	475,338		1,116,190	1,591,528
Fines and forfeitures	291,415			291,415
Miscellaneous	546,129		574,958	1,121,087
Total revenues	23,717,103		2,626,851	26,343,954
<b>Expenditures:</b>				
Current:				
General government	3,375,796		57,248	3,433,044
Public safety	10,251,827		723,922	10,975,749
Community and economic development	1,136,273		403,452	1,539,725
Streets and public improvements	3,623,479			3,623,479
Parks and recreation	2,544,165			2,544,165
Debt service:				
Principal			910,855	910,855
Interest			113,313	113,313
Capital outlay		\$3,395,568	51,797	3,447,365
Total expenditures	20,931,540	3,395,568	2,260,587	26,587,695
Excess of revenues over (under) expenditures	2,785,563	(3,395,568)	366,264	(243,741)
<b>Other financing sources (uses):</b>				
Transfers in	313,230	3,842,390	439,988	4,595,608
Transfers out	(3,915,605)	(60,000)	(1,235,638)	(5,211,243)
Sale of capital assets	91,307		13,025	104,332
Contribution from employee group	50,144			50,144
Total other financing sources (uses)	(3,460,924)	3,782,390	(782,625)	(461,159)
Net change in fund balances	(675,361)	386,822	(416,361)	(704,900)
Fund balances - beginning	4,939,531	1,389,784	1,751,419	8,080,734
Fund balances - ending	\$4,264,170	\$1,776,606	\$1,335,058	\$7,375,834

The notes to the financial statements are an integral part of this statement

## LAYTON CITY CORPORATION

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended June 30, 2005

Net change in fund balances - total governmental funds	( \$704,900 )
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays, and capital contributions exceeded depreciation in the current period.	4,354,141
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In the statement of activities, only the gain on sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.	(64,481)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	503,019
--	---------

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond and debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount bond and debt repayments exceed proceeds.	910,855
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(155,158)
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Change in net assets of governmental activities	<u> \$4,843,476 </u>
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The notes to the financial statements are an integral part of this statement

LAYTON CITY CORPORATION

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the year ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<b>Revenues</b>				
Taxes and special assessments	\$17,329,550	\$17,486,600	\$19,105,114	\$1,618,514
Licenses and permits	1,050,000	1,050,000	1,157,542	107,542
Intergovernmental	2,287,000	2,183,946	2,141,565	(42,381)
Charges for services	310,000	394,084	475,338	81,254
Fines and forfeitures	240,000	240,000	291,415	51,415
Miscellaneous	493,330	509,862	546,129	36,267
Total revenues	21,709,880	21,864,492	23,717,103	1,852,611
<b>Expenditures</b>				
Current:				
General government:				
Administration	709,656	693,763	678,320	15,443
Legal	613,927	619,207	596,347	22,860
Management services	1,498,041	1,573,688	1,479,317	94,371
Finance	642,890	641,809	621,812	19,997
Nondepartmental	78,990			
Total general government	3,543,504	3,528,467	3,375,796	152,671
Public safety:				
Police	6,921,046	7,085,396	6,938,523	146,873
Fire	2,998,980	3,289,242	3,313,304	(24,062)
Total public safety	9,920,026	10,374,638	10,251,827	122,811
Community and economic development	1,217,216	1,198,335	1,136,273	62,062
Streets and public improvements	3,856,308	3,731,396	3,623,479	107,917
Parks and recreation	2,589,433	2,596,698	2,544,165	52,533
Total expenditures	21,126,487	21,429,534	20,931,540	497,994
Excess of revenues over expenditures	583,393	434,958	2,785,563	2,350,605
<b>Other financing sources (uses)</b>				
Contribution from employee group		50,144	50,144	
Sale of capital assets	150,000	166,050	91,307	(74,743)
Transfers in	339,575	288,096	313,230	25,134
Transfers out	(3,808,561)	(3,915,605)	(3,915,605)	
Total other financing sources (uses)	(3,318,986)	(3,411,315)	(3,460,924)	(49,609)
Net change in fund balance	(2,735,593)	(2,976,357)	(675,361)	2,300,996
Fund balance - beginning	4,939,531	4,939,531	4,939,531	
Fund balance - ending	\$2,203,938	\$1,963,174	\$4,264,170	\$2,300,996

The notes to the financial statements are an integral part of this statement

# LAYTON CITY CORPORATION

## STATEMENT OF NET ASSETS PROPRIETARY FUNDS June 30, 2005

	Water	Storm Sewer	Sewer	Refuse	Other Proprietary Funds	Total Proprietary Funds
<b>Assets</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$812,991	\$2,074,475	\$1,724,516	\$57,110	\$401,137	\$5,070,229
Accounts receivable, net	931,611	232,120	517,524	507,248	137,187	2,325,690
Inventory					2,958	2,958
Prepaid expense	499,428					499,428
Total current assets	2,244,030	2,306,595	2,242,040	564,358	541,282	7,898,305
<b>Noncurrent assets:</b>						
Special assessments receivable			1,418			1,418
Deferred charges	50,650					50,650
Due from other funds			600,000			600,000
Investment in water stocks and rights	68,071					68,071
<b>Capital assets:</b>						
Land	355,819	98,926			1,000	455,745
Buildings					2,218,732	2,218,732
Improvements other than buildings	397,467				20,112	417,579
Distribution and collections systems	33,907,954	27,426,681	11,819,229			73,153,864
Equipment	1,465,171	200,214	717,061		1,511,324	3,893,770
Construction in progress	1,573,505	756,461	30,606			2,360,572
Less: accumulated depreciation	(9,811,772)	(7,905,802)	(3,229,800)		(2,531,638)	(23,479,012)
Total capital assets (net of accumulated depreciation)	27,888,144	20,576,480	9,337,096		1,219,530	59,021,250
Total noncurrent assets	28,006,865	20,576,480	9,938,514		1,219,530	59,741,389
Total assets	30,250,895	22,883,075	12,180,554	564,358	1,760,812	67,639,694
<b>Liabilities</b>						
<b>Current liabilities:</b>						
Accounts payable	61,444	183,356	252,382	225,306	38,582	761,070
Accrued liabilities	36,954	3,918	6,538		47,272	94,682
Payable to other governments			43,500		4,544	48,044
Customer deposits	1,050					1,050
Accrued bond interest payable	34,773					34,773
Bonds payable	280,000					280,000
Total current liabilities	414,221	187,274	302,420	225,306	90,398	1,219,619
<b>Noncurrent liabilities:</b>						
Compensated absences payable	120,350	18,349	12,583		105,351	256,633
Due to other funds	600,000					600,000
Bonds payable	2,570,000					2,570,000
Total noncurrent liabilities	3,290,350	18,349	12,583		105,351	3,426,633
Total liabilities	3,704,571	205,623	315,003	225,306	195,749	4,646,252
<b>Net Assets</b>						
Invested in capital assets, net of related debt	25,038,144	20,576,480	9,337,096		1,219,530	56,171,250
Restricted for storm sewer development		817,187				817,187
Unrestricted	1,508,180	1,283,785	2,528,455	339,052	345,533	6,005,005
Total net assets	\$26,546,324	\$22,677,452	\$11,865,551	\$339,052	\$1,565,063	\$62,993,442

The notes to the financial statements are an integral part of this statement

# LAYTON CITY CORPORATION

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS For the year ended June 30, 2005

	Water	Storm Sewer	Sewer	Refuse	Other Proprietary Funds	Total Proprietary Funds
<b>Operating revenues</b>						
Charges for services	\$4,040,460	\$1,577,321	\$2,700,176	\$2,890,622	\$1,589,889	\$12,798,468
Miscellaneous	21,327		7,558		82,736	111,621
<b>Total operating revenues</b>	<b>4,061,787</b>	<b>1,577,321</b>	<b>2,707,734</b>	<b>2,890,622</b>	<b>1,672,625</b>	<b>12,910,089</b>
<b>Operating expenses</b>						
Salaries, wages and benefits	980,778	171,636	611,358	49,694	1,296,166	3,109,632
Supplies and maintenance	485,394	270,707	254,115	35,792	431,546	1,477,554
Utilities	484,159	3,576	6,337	3,756	184,852	682,680
Professional services and training	15,466	13,349	10,234		71,174	110,223
Contracted services	973,287		1,680,651	2,672,891		5,326,829
Insurance	76,095	14,027	35,493	2,657	16,205	144,477
Rent	64,116	28,488	42,744	7,116		142,464
Franchise tax	155,076	46,152	105,108			306,336
Bad debt collection fees	966	966	965	966	9,920	13,783
Depreciation	774,194	512,476	276,981		142,208	1,705,859
<b>Total operating expenses</b>	<b>4,009,531</b>	<b>1,061,377</b>	<b>3,023,986</b>	<b>2,772,872</b>	<b>2,152,071</b>	<b>13,019,837</b>
<b>Operating income (loss)</b>	<b>52,256</b>	<b>515,944</b>	<b>(316,252)</b>	<b>117,750</b>	<b>(479,446)</b>	<b>(109,748)</b>
<b>Nonoperating revenues (expenses)</b>						
Interest revenue	24,988	43,283	69,024		1,236	138,531
Connection charges	59,839					59,839
Impact fees	385,130	534,632				919,762
Exaction fees	12,714					12,714
Grant proceeds					47,015	47,015
Bond issuance costs	(6,331)					(6,331)
Interest expense	(102,743)					(102,743)
Gain on sale or disposal of capital assets	4,100				30,727	34,827
<b>Total nonoperating revenues (expenses)</b>	<b>377,697</b>	<b>577,915</b>	<b>69,024</b>		<b>78,978</b>	<b>1,103,614</b>
<b>Income (loss) before contributions and transfers</b>	<b>429,953</b>	<b>1,093,859</b>	<b>(247,228)</b>	<b>117,750</b>	<b>(400,468)</b>	<b>993,866</b>
Capital contributions	307,046	679,302	296,080		282,380	1,564,808
Transfers in	60,000	232,000			461,227	753,227
Transfers out	(66,048)	(46,440)	(25,104)			(137,592)
<b>Change in net assets</b>	<b>730,951</b>	<b>1,958,721</b>	<b>23,748</b>	<b>117,750</b>	<b>343,139</b>	<b>3,174,309</b>
<b>Total net assets - beginning</b>	<b>25,815,373</b>	<b>20,718,731</b>	<b>11,841,803</b>	<b>221,302</b>	<b>1,221,924</b>	<b>59,819,133</b>
<b>Total net assets - ending</b>	<b>\$26,546,324</b>	<b>\$22,677,452</b>	<b>\$11,865,551</b>	<b>\$339,052</b>	<b>\$1,565,063</b>	<b>\$62,993,442</b>

The notes to the financial statements are an integral part of this statement

# LAYTON CITY CORPORATION

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the year ended June 30, 2005

	Water	Storm Sewer	Sewer
<b>Cash flow from operating activities</b>			
Receipts from customers (including cash deposits)	\$4,222,546	\$1,573,717	\$2,673,956
Receipts from interfund services received	11,063		
Payments to suppliers	(1,451,699)	(328,994)	(334,997)
Payments to other governments	(973,287)		(1,637,151)
Payments for interfund services used	(236,344)	(79,884)	(162,672)
Payments to employees	(956,977)	(166,406)	(611,379)
Net cash provided (used) by operating activities	615,302	998,433	(72,243)
<b>Cash flow from non-capital financing activities</b>			
Transfers (to) from other funds	(6,048)	185,560	(25,104)
Increase (decrease) in amounts due to other funds	(15,030)		
Proceeds from state and federal grants			
Connection fees	59,839		
Proceeds from special assessments	239		
Net cash provided (used) by non-capital financing activities	39,000	185,560	(25,104)
<b>Cash flow from capital and related financing activities</b>			
Bond payments - principal	(303,787)		
Bond payments - interest	(107,070)		
Proceeds from sale of capital assets	4,100		
Cash contributed by developer for construction projects		15,000	
Purchase of capital assets	(313,084)	(263,523)	(284,521)
Construction	(1,685,451)	(1,262,298)	(30,606)
Impact fees	385,130	534,632	
Exaction fees	12,714		
Net cash used by capital and related financing activities	(2,007,448)	(976,189)	(315,127)
<b>Cash flow from investing activities</b>			
Interest earned on investments	24,988	43,283	69,024
Net cash provided by investing activities	24,988	43,283	69,024
Net increase (decrease) in cash and cash equivalents	(1,328,158)	251,087	(343,450)
Cash and cash equivalents at beginning of year	2,141,149	1,823,388	2,067,966
Cash and cash equivalents at end of year	\$812,991	\$2,074,475	\$1,724,516
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$52,256	\$515,944	(\$316,252)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	774,194	512,476	276,981
Decrease (increase) in accounts receivable	171,922	(3,604)	(33,778)
Decrease in inventories			
Increase in prepaid items	(37,515)		
Increase (decrease) in accounts payable	(369,256)	(31,613)	(42,673)
Increase (decrease) in accrued liabilities	8,449	1,829	799
Increase (decrease) in compensated absences	15,352	3,401	(820)
Increase (decrease) in amounts due to other governmental units			43,500
Increase in customer deposits	(100)		
Total adjustments	563,046	482,489	244,009
Net cash provided (used) by operating activities	\$615,302	\$998,433	(\$72,243)
<b>Noncash investing, capital and financing activities:</b>			
Contribution of water, sewer and storm drain lines from developers	\$307,046	\$664,302	\$296,080
Contribution from general government			

The notes to the financial statements are an integral part of this statement



Refuse	Other Proprietary Funds	Totals
\$2,917,422	\$1,616,466	\$13,004,107
	59,520	70,583
(867,679)	(630,064)	(3,613,433)
(1,839,985)	(24,708)	(4,475,131)
(21,936)	(70,761)	(571,597)
(49,694)	(1,250,030)	(3,034,486)
138,128	(299,577)	1,380,043

	461,227	615,635
(81,018)		(96,048)
	47,015	47,015
		59,839
		239
(81,018)	508,242	626,680

		(303,787)
		(107,070)
	41,750	45,850
		15,000
	(313,025)	(1,174,153)
		(2,978,355)
		919,762
		12,714
	(271,275)	(3,570,039)

	1,236	138,531
	1,236	138,531

57,110	(61,374)	(1,424,785)
	462,511	6,495,014
\$57,110	\$401,137	\$5,070,229

\$117,750	(\$479,446)	(\$109,748)
	142,208	1,705,859
26,800	3,361	164,701
	1,483	1,483
		(37,515)
(6,422)	(11,532)	(461,496)
	12,818	23,895
	33,318	51,251
	(1,787)	41,713
		(100)
20,378	179,869	1,489,791
\$138,128	(\$299,577)	\$1,380,043

\$1,267,428  
\$282,380 282,380

## LAYTON CITY CORPORATION

Notes to Financial Statements for year ended June 30, 2005

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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#### A. Reporting entity

Layton City Corporation is a municipal government that was incorporated in 1920 as a subdivision of the State of Utah. The City is governed by an elected mayor and five-member council. The City is classified as a third class city under state statute and operates under the council-manager form of government. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations.

The accounting policies of Layton City Corporation and its component units conform to accounting principles generally accepted in the United States as applicable to governmental units.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by the Governmental Accounting Standards Board (GASB). The component units discussed below are included in the City's reporting entity because of the significance of the operational or financial relationships with the City.

The Redevelopment Agency of Layton City, Utah (Agency) was established to pursue redevelopment and economic development projects that are allowed within the state statutes. The Mayor and the City Council serve as the Board of Directors. Because of the dual role of the governing body, the City has substantial direct control and can impose its will upon the Agency. Separate financial statements for the agency are not prepared but are reported as part of this report as a blended component unit. The Agency is included as a special revenue fund and as a capital projects fund.

The Davis Metro Narcotics Strike Force (Strike Force) is an inter-local cooperative entity formed by the cities and county to jointly enforce drug laws. Some cities, including Layton City, provide manpower and some cities contribute cash in support of the Strike Force. The Strike Force is financed significantly by federal grants. The Strike Force, on its own, cannot qualify to be a grantee for federal grants. The City applies for and administers grants for the benefit of the Strike Force. The City Council does not have substantial direct control, nor can it impose its will upon the Strike Force. However, the Strike Force management, administration, fiscal and accounting affairs are intertwined with the public safety functions of the City. Therefore, the Strike Force has been included as a blended component unit in this report. The Strike Force does not issue separate financial statements. The Strike Force was previously reported as a blended component unit of Davis County government.

#### B. Government-wide and fund financial statements

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

## Notes to Financial Statements for year ended June 30, 2005

Separate financial statements are provided for governmental funds, and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### C. Measurement focus, basis of accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales taxes, use taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when the City receives the cash.

The City reports its general and capital projects fund as major governmental funds:

The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The capital projects fund is used to account for the acquisition or construction of major capital facilities and equipment that are funded with general resources of the City, but excludes equipment and facilities financed by proprietary funds.

The City reports the water, storm sewer, sewer, and refuse funds as major proprietary funds:

The water fund accounts for activities of the City's culinary water utility system.

The storm sewer fund accounts for the City's storm water utility system that collects, controls and diverts storm water to avoid flooding.

The sewer fund accounts for the activities of the sanitary sewer collection system which directs sewage to a treatment plant that is operated by another government agency.

The refuse fund accounts for the activities of solid waste collection and the cost of disposing it at a facility operated by another government agency.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to the general rule are payments-in-lieu of taxes and other charges between the City's enterprise funds and various other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions involved.

## Notes to Financial Statements for year ended June 30, 2005

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges; 2) operating grants and contributions; and 3) capital grants and contributions. Internally designated resources are reported as general revenues rather than as program revenues. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for services and products related to such services, including connection fees. Operating expenses of the enterprise funds include the costs of providing the services and sale of products, administration costs, and depreciation of capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources.

### D. Assets, liabilities, and net assets or equity

#### 1. Deposits and investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

City cash and investments of are kept separate from the Agency. The City maintains cash and investment pooled accounts that are available for use by all funds. Each fund's share of this pool is displayed on the individual fund balance sheets as "Cash and cash equivalents."

The State of Utah established an independent State Money Management Council to set investment regulations for state and local governments and to monitor the credit worthiness of the financial institutions in which state and local governmental funds are deposited. Governmental units are allowed to keep deposits only in institutions approved by the Council and only to an established aggregate limit for government deposits. The City invested only with approved financial institutions during the fiscal year ended June 30, 2005.

Statutes authorize the City to invest in a variety of instruments including, obligations of the U.S. Treasury, commercial paper classified as "first tier" by two national rating organizations one of which must be Moody's Investors Services or Standard and Poor's, repurchase and reverse repurchase agreements with qualified depositories, negotiable and nonnegotiable deposits, bankers acceptances, tax anticipation notes or general obligations of the state and political subdivisions and the Utah Public Treasurer's Investment Fund.

The City policy allows for the investment of temporarily idle funds in any instrument allowed by the State Money Management Council, including the Utah Public Treasurer's Investment Fund that is managed by the State Treasurer.

#### 2. Receivables and payables

Activity between funds that represent lending/borrowing arrangements outstanding are reported as "due to/from other funds." All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance adjustment is determined annually using the accounts receivable historical method of calculation.

Property taxes attach as an enforceable lien on property January 1. Taxes are levied by June 22 or if there is a property tax increase then by August 17 and are payable by November 30. Davis County bills and collects property taxes for all entities that levy property taxes within the county.

The City records water and sewer utility revenues to the date that the meters have been read. Un-billed service has been accrued as an account receivable through June 30, 2005, and has likewise been recorded as revenue.

#### 3. Inventories and prepaid items

Inventories are valued at cost, which approximates market, using the first in/first out (FIFO) method. Certain

## Notes to Financial Statements for year ended June 30, 2005

payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

### 4. Restricted assets

Certain assets are classified as restricted assets because bond covenants limit their use and most are held in separate bank accounts for that purpose. Customer deposits held in governmental funds as sureties are also classified as restricted assets.

### 5. Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost that equals or exceeds a capitalization threshold with an estimated useful life in excess of two years. The City has separated assets into classifications for capitalization and threshold purposes. The threshold for capitalization is: 1) equipment, except vehicles and other rolling stock is \$5,000; 2) vehicles and other rolling stock is \$10,000; 3) improvements other than buildings \$50,000; 4) buildings \$100,000; and 5) infrastructure \$100,000.

The City has not retroactively recorded infrastructure assets acquired after June 30, 1980, with one exception. On July 1, 2002, the storm sewer function changed from being governmental in nature to a proprietary activity and transferred into a proprietary fund. This change required the recognition of storm sewer lines and facilities as capital assets which had formerly been classified as infrastructure. GASB Statement 34 required prospective reporting of infrastructure from June 30, 2002, but allowed additional time for recording of infrastructure constructed or acquired between June 30, 1980, and June 30, 2002. Infrastructure will be booked and reported in the government-wide financial statements on or before the fiscal year ending June 30, 2006, as prescribed by Statement 34.

Property, plant and equipment of the City and component units are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure (utility systems)	50
Infrastructure (other)	20
Buildings	50
Improvements other than buildings	15
Equipment (except rolling stock)	5
Equipment (passenger cars)	3
Equipment (trucks)	5
Equipment (loaders, graders, etc.)	10

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of maintenance and repairs that do not add to the value of the asset or materially extend the asset life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

### 6. Compensated absences

Government-wide financial statements - amounts of accumulated vacation and sick leave for governmental funds that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net assets and as an expense in the government-wide statement of activities.

Governmental fund financial statements - no liability or expenditure is recorded for accumulated vacation and sick leave for governmental funds.

## Notes to Financial Statements for year ended June 30, 2005

Proprietary fund financial statements - accumulated vacation and sick leave is recorded as a liability and an expense when accrued to the employee.

### 7. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt expenditures.

### 8. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

### 9. Comparative data

Comparative total data for the prior year have been presented for individual governmental and proprietary funds in the section of the report titled "Combining and Individual Fund Statements and Schedules."

### 10. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation and are considered by the City to be immaterial.

## II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

### A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net assets of the governmental activities as reported in the government-wide statement of net assets. The elements of that reconciliation are detailed below and primarily result from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets.

Capital related items - when capital assets (property, plant and equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in the governmental funds. However, the statement of net assets includes those capital assets among the assets of the City as a whole.

Cost of capital assets	\$51,892,892
Accumulated depreciation	17,889,576
Total difference	<u>\$34,003,316</u>

Long-term obligations - long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund financial statements, however all liabilities are reported in the statement of net assets. Balances at June 30, 2005, were:

Sales tax and refunding revenue bonds	\$3,810,000
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## Notes to Financial Statements for year ended June 30, 2005

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Sales tax and refunding revenue bond premium	127,913
Conference center note payable	577,931
Interest payable on long-term debt	46,486
Compensated absences payable	<u>1,230,542</u>
Total difference	<u>\$5,792,872</u>

### B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. The first element of this reconciliation states that capital outlays are reported in the governmental funds as expenditures while the government-wide statement of activities allocates these costs over the useful lives of the assets as depreciation. The amount is shown in the reconciliation as the net difference, but the elements of this amount were as follows:

Capital outlay	\$6,023,615
Depreciation expense	<u>1,669,474</u>
Net difference as reported	<u>\$4,354,141</u>

## III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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### A. Budgetary information

Annual budgets are prepared and adopted in accordance with accounting principles generally accepted in the United States and the "Uniform Fiscal Procedures Act for Utah Cities." The City Council must hold a public hearing and adopt the budget on or before June 22 for the following fiscal year, which begins July 1. Budgets at the fund level may be increased by the City Council's adoption of an amendment following the appropriate public hearing. Increases at the department level may be approved by the City Council by resolution without public hearing. Increases below the department level may be approved by the Budget Officer.

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

1. On or before the first regular council meeting in May, the City Manager submits to the City Council a proposed capital and operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and estimated revenues.
2. Prior to the formal adoption of the budget, the City Council holds budget workshop meetings, which are open to the public.
3. In the first City Council meeting in May, the City Council adopts a tentative budget and sets a date for a public budget hearing. At the end of the hearing or sometime thereafter, the budget as amended, is adopted by passage of a resolution.
4. Budgets are adopted annually for all governmental and enterprise fund types in accordance with accounting principles generally accepted in the United States. According to Utah statute, the term for capital project budgets shall "coincide with the term of the individual project or projects." However, because of other ambiguities in the statute, the Utah State Auditors Office requires that budget and actual statements for the capital projects fund be included in the financial report.
5. Commitments outstanding for contracts, goods or services made before the end of the fiscal year are encumbered and shown as reservations of fund balances in governmental fund types. Unencumbered appropriations lapse at year end, except for capital projects that extend for the term of the project. Subsequent years' appropriations provide the authority to complete all encumbered transactions.
6. In connection with the budget adoption, the City establishes a property tax rate before June 22 if the tax rate is not an increase from the previous year as defined by Utah State Code. The City Recorder certifies the tax rate to the

## Notes to Financial Statements for year ended June 30, 2005

County Auditor on or before June 22. If the City determines the need to increase the property tax rate, a hearing on the tax increase and adoption of a final tax rate must be held after August 1 but on or before August 17. A final budget may then be adopted and the City Recorder must certify the increased tax rate to the County Auditor by this later date.

Utah State law prohibits the appropriation of unrestricted general fund balance until it exceeds the sum of 5 percent of the general fund revenues. Until the unreserved fund balance is greater than the above amount, it cannot be budgeted but is used to provide working capital, meet emergency expenditures, and cover unanticipated deficits. When the unreserved fund balance in the general fund is greater than 18 percent of expected revenues, the excess must be appropriated within the first budget following the year then ended.

The City Council made several supplemental budgetary appropriations throughout the year, including increases and decreases in the general fund. The expenditure appropriations for the general fund increased \$303,047. The changes were mainly made in public safety to provide services above planned levels or unforeseen items.

### B. Deficit fund equity and excess expenditures over appropriations

On June 30, 2005, the redevelopment agency capital projects fund had a fund deficit of \$313,222. This resulted from borrowing money from the City capital projects fund and expending it for studies on a project to develop South Main Street in conjunction with a new interstate interchange. It is anticipated that repayment to the City and resolution of the fund deficit will come from future tax increment revenues.

The fire department inadvertently exceeded the expenditure appropriation by \$24,062. This resulted from an incorrect estimate of the amount needed for personnel costs and was not discovered until after the time for amendments had passed.

## IV. DETAILED NOTES ON ALL FUNDS

### A. Deposits and investments

Cash on hand at June 30, 2005, was \$13,349. At the year end, the carrying amounts of the City's deposits were \$4,092,841 and the bank balances were \$4,268,199. Of the bank balances, \$103,662 was covered by federal depository insurance and \$4,164,537 was uninsured and uncollateralized. State statute does not require deposits to be collateralized. By agreement, deposits in the City's demand checking account earn a rate of interest similar to that paid on investments in the Utah State Treasurer's Pool.

Investments are stated at fair value and are categorized into three levels of credit risk:

- (1) Insured or registered, or securities held by the City or its agent in the City's name.
- (2) Uninsured and unregistered with securities held by the counterparty's trust department or agent in the City's name.
- (3) Uninsured and unregistered with securities held by the counterparty or by its trust department or agent but not in the City's name.

At year end, the City's investment balances were as follows:

	Category 3	Reported Amount/Fair Value
U.S. Treasury securities	<u>\$1,091,672</u>	<u>\$1,091,672</u>
Investments not subject to categorization:		
Utah State Treasurer's Investment Fund		<u>7,068,036</u>
Total Investments		<u>\$8,159,708</u>

The City's position in the Utah Public Treasurer's Investment Fund is the same as the value of the pool shares.



# Notes to Financial Statements for year ended June 30, 2005

## B. Interest income

Interest income from the City's pooled investments were recorded in the following funds:

General fund - undesignated	\$115,178
General fund - designated for class c roads	1,882
Special revenue funds	11,924
Debt service funds	12,968
Enterprise funds	138,531
Total interest income	<u>\$280,483</u>

## C. Receivables

Receivables as of the year end for the City's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Water	Storm Sewer	Sewer	Refuse	Nonmajor Funds	Total
Receivables:							
Taxes and inter-governmental	\$8,440,463					\$75,546	\$8,516,009
Accounts	47,884	\$936,547	\$232,120	\$517,524	\$507,248	354,145	2,595,468
Grants	67,594					168,927	236,521
Special assessments	612			1,418			2,030
Gross total receivables	8,556,553	936,547	232,120	518,942	507,248	598,618	11,350,028
Less: Allowance for							
Uncollectible accounts		4,936				145,608	150,544
Net total receivables	<u>\$8,556,553</u>	<u>\$931,611</u>	<u>\$232,120</u>	<u>\$518,942</u>	<u>\$507,248</u>	<u>\$453,010</u>	<u>\$11,199,484</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are unavailable to liquidate liabilities of the current period. Governmental funds also defer revenue recognition for revenues that have been received, but not yet earned. At June 30, 2005, the components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Delinquent property taxes receivable	\$660,479	
Property taxes levied and receivable, but not due	5,048,024	
Grant drawdown prior to meeting eligibility requirement		\$20,566
Total deferred/unearned revenue for governmental funds	<u>\$5,708,503</u>	<u>\$20,566</u>

## D. Interfund receivables and payables

The composition of interfund balances as of June 30, 2005, is as follows:

Receivable Fund:		Payable Fund:	
General	\$8,614	Water	\$600,000
Capital projects	312,329	Nonmajor governmental	321,836
Sewer	600,000		
Nonmajor governmental	893		
Totals	<u>\$921,836</u>		<u>\$921,836</u>

Amounts payable to the general fund by a nonmajor governmental fund (victims services fund) of \$8,614, represented cash borrowed temporarily from pooled cash. The capital projects fund loaned \$321,329 to a nonmajor governmental fund (redevelopment agency capital project fund) to begin studies on a redevelopment project. It's expected that this will be repaid from property tax revenue generated by the redevelopment, but not within one year. The water fund owes \$600,000 to the sewer fund for money borrowed to construct a water storage tank. It's expected to be repaid over an eight to ten year period. A nonmajor governmental fund (redevelopment agency special revenue fund) temporarily borrowed \$893 from pooled cash of another nonmajor governmental fund (redevelopment agency capital

# Notes to Financial Statements for year ended June 30, 2005

project fund).

## E. Interfund transfers

During the course of normal operations, transfers are made between funds. The following table summarizes the transfers made during the year:

Transfers out:	Transfer in:						Totals
	General	Capital Projects	Nonmajor Governmental Funds	Water	Storm Sewer	Nonmajor Proprietary Funds	
General		\$2,782,390	\$439,988		\$232,000	\$461,227	\$3,915,605
Capital projects				\$60,000			60,000
Nonmajor governmental funds	\$175,638	1,060,000					1,235,638
Total transfers out	\$175,638	\$3,842,390	\$439,988	\$60,000	\$232,000	\$461,227	\$5,211,243

The major transfers between funds were \$2,782,390 from the general fund to the capital projects fund for general government type projects and \$1,060,000 from impact fee fund to the capital projects fund for street and park type projects.

## F. Leases

The City entered into a twenty year lease in 1989 with the Division of Facilities Construction and Management on behalf of the State Judicial Council of the State of Utah. The lease is for a building that houses two courtrooms, offices and the City police department. The State has occupied the facility since September 1990 and pays the City \$376,668 per year. The State was extended an option to purchase the building. It is probable that the State will exercise the option to purchase the building at the end of the lease period in 2010.

## G. Capital assets

Capital asset activity for the year ended June 30, 2005, was as follows:

Governmental activities:	Balance July 1, 2004	Additions	Reductions	Balance June 30, 2005
Capital assets, not being depreciated:				
Land	\$6,206,519	\$1,530,720		\$7,737,239
Construction in progress	4,994,046	839,367	\$3,780,166	2,053,247
Total capital assets, not being depreciated	11,200,565	2,370,087	3,780,166	9,790,486
Capital assets, being depreciated:				
Buildings	16,110,629			16,110,629
Improvements other than buildings	2,325,710			2,325,710
Equipment	12,300,020	1,541,113	476,852	13,364,281
Infrastructure	4,409,205	5,892,581		10,301,786
Total capital assets being depreciated	35,145,564	7,433,694	476,852	42,102,406
Less accumulated depreciation for:				
Buildings	6,751,459	224,502		6,975,961
Improvements other than buildings	1,472,506	132,442		1,604,948
Equipment	8,327,445	1,091,645	412,371	9,006,719
Infrastructure	81,063	220,885		301,948
Total accumulated depreciation	16,632,473	1,669,474	412,371	17,889,576
Total capital assets, being depreciated, net	18,513,091	5,764,220	64,481	24,212,830
Governmental activities capital assets, net	\$29,713,656	\$8,134,307	\$3,844,647	\$34,003,316

# Notes to Financial Statements for year ended June 30, 2005

Business-type activities:	Balance July 1, 2004	Additions	Reductions	Balance June 30, 2005
Capital assets, not being depreciated:				
Land	\$392,436	\$63,309		\$455,745
Construction in progress	1,441,311	1,728,581	\$809,320	2,360,572
Total capital assets, not being depreciated	1,833,747	1,791,890	809,320	2,816,317
Capital assets, being depreciated:				
Buildings	1,936,352	282,380		2,218,732
Improvements other than buildings	417,579			417,579
Equipment and utility systems	72,769,628	4,437,367	159,361	77,047,634
Total capital assets being depreciated	75,123,559	4,719,747	159,361	79,683,945
Less accumulated depreciation for:				
Buildings	1,490,767	12,690		1,503,457
Improvements other than buildings	347,583	52,566		400,149
Equipment and utility systems	20,083,140	1,640,603	148,337	21,575,406
Total accumulated depreciation	21,921,490	1,705,859	148,337	23,479,012
Total capital assets, being depreciated, net	53,202,069	3,013,888	11,024	56,204,933
Business-type activities capital assets, net	\$55,035,816	\$4,805,778	\$820,344	\$59,021,250

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$237,868
Public safety	674,526
Community and economic development	36,309
Streets and public improvements	459,771
Parks and recreation	261,000
Total depreciation expense – governmental activities	\$1,669,474
Business-type activities:	
Water	\$774,194
Storm sewer	512,476
Sewer	276,981
Swimming pool	76,811
Emergency medical services (EMS)	65,397
Total depreciation expense – business-type activities	\$1,705,859

## Construction commitments

The City had active construction projects as of June 30, 2005. They included projects for street widening, new parks, water lines, sewer lines and storm sewer lines. At the year end the City's commitments with contractors were as follows:

Project	Spent-to-date	Remaining
Streets	\$99,116	\$725,251
Parks	572,708	46,734
Water lines	957,805	407,061
Sewer lines	30,606	302,016
Storm sewer lines	699,956	860,808
Total	\$2,360,191	\$2,341,870

## Notes to Financial Statements for year ended June 30, 2005

### H. Long term debt

#### Revenue bonds

The City issued sales tax revenue bonds on July 15, 2003, in the amount of \$7,740,000. Proceeds of \$4,615,000 were used to pay off a lease purchase agreement with the Municipal Building Authority (Authority) and \$3,125,000 was used to replace all water meters in the water fund operation with new radio read type meters. The water fund will repay the portion of the debt used for water meters even though the debt is secured by sales tax revenue. The Authority used the lease purchase payment to retire all outstanding bonds and transferred title of the assets to the City.

Revenue bonds outstanding at the year end were \$6,660,000.

Revenue bond debt service requirements to maturity are as follows:

Year ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2006	\$820,000	\$91,728	\$280,000	\$73,189
2007	830,000	71,999	295,000	67,887
2008	850,000	49,472	300,000	60,508
2009	880,000	24,950	305,000	52,967
2010	430,000	6,461	310,000	46,469
2011 - 2014			1,360,000	89,989
Total	\$3,810,000	\$244,610	\$2,850,000	\$391,009

#### Notes payable

The City issued a note during the prior fiscal year in the amount of \$700,000 to assist in the development of a county owned conference center and privately owned hotel. Debt service requirements on this note are linked directly to the receipts of an imposed transient room tax. As revenue is received, the entire amount is paid towards retirement of the note. The City estimated that the transient room tax will provide approximately \$100,000 per year and will retire the debt in seven to eight years. The balance of the note at June 30, 2005 was \$577,931.

#### Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2005, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Sales tax revenue bonds	\$4,615,000		\$805,000	\$3,810,000	\$820,000
Conference center note	683,786		105,855	577,931	110,000
Compensated absences	1,072,314	\$1,216,140	1,057,912	1,230,542	1,139,227
Total governmental activities	\$6,371,100	\$1,216,140	\$1,968,767	\$5,618,473	\$2,069,227
Business-type activities:					
Sales tax revenue bonds	\$3,125,000		\$275,000	\$2,850,000	\$280,000
Water revenue bonds	28,787		28,787		
Compensated absences	205,382	\$226,008	174,757	256,633	175,000
Total business-type activities	\$3,359,169	\$226,008	\$478,544	\$3,106,633	\$455,000

Compensated absences for the governmental activities are generally liquidated by the general fund.

## V. OTHER INFORMATION

### A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and

## Notes to Financial Statements for year ended June 30, 2005

omissions; and natural disasters.

The City is a member of the Utah Risk Management Mutual Association (URMMA). It is an insurance pool for liability insurance, except workers compensation insurance, made up of municipalities in the state. Each city pays premiums into a cash reserve fund for possible losses. Payment of the annual premium indemnifies the City for claims that exceed the per occurrence deductible. The policy provides \$6,000,000 of liability coverage per occurrence after a deductible of \$15,000. In the event URMMA becomes insolvent, the City is fully responsible for all claims. The obligation of URMMA to pay damages on behalf of the City applies only to damages in excess of the member "deductibles" and group "self-insured retentions" outlined in the Coverage Profile. The member "deductibles" and the group "self-insured retentions" include attorney's fees and all other costs incurred in defending a claim. URMMA purchases umbrella insurance to protect against large claims. URMMA reviews risk management programs and gives recommendations and premium discounts to cities that adopt them. Layton City has adopted various recommendations and receives discounts.

The City carries workers compensation insurance for claims related to work injuries and illnesses.

The City has a claims committee and a risk management committee. The claims committee reviews all claims made against the City. The committee reviews the claim and potential liability and makes a recommendation to the City Manager for settlement. All personal injury claims and property damage claims exceeding \$15,000 are handled by URMMA.

The risk management committee reviews potential risks that are brought to its attention and makes recommendations to remove or mitigate the risk of loss. It also reviews the implementation and compliance with URMMA's risk management programs.

Estimates of claims incurred but not reported, and estimates of costs of claims that are reported but not settled, do not represent a material amount and they have not been accrued at year end.

### B. Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

### C. Jointly governed organization

Utah Risk Management Mutual Association (URMMA), a separate legal entity and political subdivision of the State of Utah, was formed by an inter-local agreement effective September 30, 1985, pursuant to the provisions of the Utah Inter-local Co-operation Act. The inter-local agreement has a fifty-year term. Municipalities seek membership in the Association in order to provide more comprehensive and economical risk coverage, to reduce the amount and frequency of losses, and to decrease the cost incurred in handling and litigating claims. The City is participating in this association along with approximately 40 other cities. URMMA financial statements may be obtained at their office, 360 West 920 North, Orem, Utah 84057.

The City paid premiums of \$279,217 to URMMA for the year ended June 30, 2005. The City paid URMMA \$23,866 for costs and claims below the deductible limit or otherwise not covered.

### D. Other post employment benefits

The City provides limited postretirement health and dental benefits for certain retirees and their dependents. The retiree must: 1) meet the eligibility requirements of the Utah Retirement System (URS) in years of service and/or

## Notes to Financial Statements for year ended June 30, 2005

age; 2) retire in good standing; 3) have at least 5 years of continuous full-time service; and 4) qualify for COBRA. The employee and eligible dependents may continue on the City's partially self insured health plan for up to 5 years, including any COBRA coverage period. The retiree must pay a monthly premium that is calculated to be equal to the City's contribution for an employee. The City doesn't make any monetary contribution specifically for the retiree. However, since it is a partially self funded plan, claims paid for retirees may affect the overall contribution by the City to the plan.

### E. Employee retirement systems and plans

The City participates in the Utah Retirement Systems (URS) cost-sharing multiple employer defined benefit plans for public employees of the State of Utah and participating local governments. The URS is administered by the Utah State Retirement Board which is the State Treasurer and six members appointed by the governor. The systems are established and governed by sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The City is obligated to participate in the URS if it has employees meeting membership requirements. The City participates and makes contributions to the Local Government Contributory Retirement System, Local Government Noncontributory Retirement System, Public Safety Retirement System (Contributory and Noncontributory Divisions), and Firefighters Retirement System. All City employees are covered by Social Security in conjunction with these systems. The City Council elected to have all general public employees hired after June 30, 1991, belong to the Local Government Noncontributory Retirement System and police officers hired after December 31, 1994, belong to the Public Safety Retirement System, Noncontributory Division.

URS provides retirement benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries in accordance with retirement statutes. The URS issues a publicly available financial report that includes financial statements and required supplementary information for all the systems in which the City participates. A copy of the report may be obtained by writing to Utah Retirement Systems, 540 E 200 S, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

Under the URS plans, the City is required to contribute a percentage of the annual covered salary. The City makes both the employee and employer designated contribution in contributory type plans. The following were the actuarially determined contribution rates required for fiscal year ended June 30, 2005:

System Name	Contribution Rate
Local Government Contributory Retirement System	13.08%
Local Government Noncontributory Retirement System	11.09%
Public Safety Retirement System, Contributory Division	19.99%
Public Safety Retirement System, Noncontributory Division	19.08%
Firefighters Retirement System	8.61%

The City made contributions equal to the required contributions for each fiscal year ended June 30 as noted below:

System Name	Contributions		
	2005	2004	2003
Local Government Contributory Retirement System	\$106,330	\$96,095	\$87,157
Local Government Noncontributory Retirement System	553,663	452,412	364,997
Public Safety Retirement System Contributory and Noncontributory Divisions	570,685	468,474	354,236
Firefighter Retirement System	182,253	152,803	139,542

Alternate retirement plan - The URS regulations allow exemption of up to 10% of the City's employees from participation. The City Manager, department directors and a few other professional positions are given the option to participate in the URS or an alternate retirement plan. In addition, a few employees that have retired in the URS and cannot participate further in that plan participate in this plan. The alternate retirement plan is a single employer defined contribution plan, established under the Internal Revenue Code section 401A and managed by the International City Manager Association Retirement Corporation (ICMA-RC). Contributions made by the City to the alternate retirement plan for exempt employees for the fiscal year ended June 30, 2005, were \$219,609.

## Notes to Financial Statements for year ended June 30, 2005

Other retirement contributions - Employees hired prior to February 8, 1992, have a total of 20% contributed toward all retirement plans. Contributions are first made, as required, to the URS plans and any remainder is contributed to the single employer defined contribution plan that is the same as the "Alternate Retirement Plan" described above. Employees hired on or after February 8, 1992, are not eligible for the additional contribution. Contributions made by the City to this plan for fiscal year ended June 30, 2005, were \$167,597.

Deferred compensation plan - The City offers plans created in accordance with Internal Revenue Code section 457. All contributions are held in trust for the participating employee and no ownership rights are retained by the City. Therefore, plan assets are not reported in these financial statements.

### F. Inter-local agreement

The City entered into an inter-local agreement with the Davis School District to construct a new gymnasium. The agreement provided for a sharing of the construction cost. It further provided that the school district would own the facility and the City would have a shared use of the facility for a period of 99 years. The City capitalized the original cost of \$1,572,245 in the buildings category of capital assets and has depreciated it based on the same useful life as buildings, which is 50 years.

### G. Redevelopment agency - state report on property tax collection

The Agency has one approved and adopted project known as the South Main/South Fort Lane Project. There will not be any tax increment assessed until calendar year 2005. The Agency has borrowed from the City for expenditures on preliminary studies in anticipation of future tax increment revenues. The following is provided as required by state statute:

a) Tax increment collected	None
b) Tax increment paid to other entities	None
c) Outstanding principal amount of bonds issued	None
d) Project expenditures and administrative costs	\$305,318

### H. Commitments

The City entered into a Pledge and Loan Agreement with the Utah Telecommunications Open Infrastructure Agency (UTOPIA). UTOPIA is an interlocal cooperative created to finance, construct and operate a system of fiber optic communication lines in various cities in the state. UTOPIA would lease use of the fiber optic system to retail vendors of telephony, video and other digital services. The pledge commits the City to set aside and deposit funds as security in a debt service reserve fund for the portion of the project related to the City. The maximum amount committed by the City was \$1,676,968. Sales and use tax revenues have been pledged towards the payment of the City's share of the debt service reserve fund requirement, however, the pledge is junior to any previously pledged sales and use tax revenue. On July 1, 2007, the City will be required to deposit \$335,394 into the UTOPIA Series 2004 Bond Debt Service Reserve Fund. These funds will remain on deposit until the sooner of the bonds being retired or 20 years from July 1, 2007. The City will, if additional bonds are issued, be required to deposit an additional \$1,341,574 into a bond debt service reserve fund. The timing of these additional pledged deposits depends on the timing of additional bond issues. These funds will remain on deposit until the sooner of the bonds being retired or 20 years from the date the City is required to pay the pledge into the debt service reserve fund.

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# Layton City Corporation

## Combining and Individual Fund Statements and Schedules

# LAYTON CITY CORPORATION

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS June 30, 2005

	Special Revenue				
	E911 Emergency Dispatch	Davis Metro Narcotics Strike Force	Victims Services	CDBG Grant	Impact Fee
<b>Assets</b>					
Cash and cash equivalents	\$230,743	\$86,059		\$106,377	\$229,131
Receivables:					
Taxes and intergovernmental					
Accounts	63,925				
Grants		156,694	\$12,233		
Due from other funds					
Restricted cash and cash equivalents					
<b>Total assets</b>	<b>\$294,668</b>	<b>\$242,753</b>	<b>\$12,233</b>	<b>\$106,377</b>	<b>\$229,131</b>
<b>Liabilities and fund balances</b>					
Liabilities:					
Accounts payable	\$176	\$108,150	\$8		
Accrued liabilities		823	1,212	\$1,231	
Due to other funds			8,614		
Unearned revenue					
Deferred revenue					
<b>Total liabilities</b>	<b>176</b>	<b>108,973</b>	<b>9,834</b>	<b>1,231</b>	
<b>Fund balances (deficit):</b>					
Reserved for:					
Street construction					\$198,081
Park development					31,050
E911 operations	294,232				
Debt service					
Encumbrances	260	2,032	154		
Unreserved:					
Undesignated		131,748	2,245	105,146	
<b>Total fund balances</b>	<b>294,492</b>	<b>133,780</b>	<b>2,399</b>	<b>105,146</b>	<b>229,131</b>
<b>Total liabilities and fund balances</b>	<b>\$294,668</b>	<b>\$242,753</b>	<b>\$12,233</b>	<b>\$106,377</b>	<b>\$229,131</b>

Special Revenue			Debt Service	Capital Project	Total Nonmajor Governmental Funds
Streetscape Maintenance	Local Law Enforcement Block Grant	Redevelopment Agency	Debt Service	Redevelopment Agency	
\$22,645	\$20,566	\$3,662	\$45,314		\$744,497
		75,546			75,546
			7,425		71,350
					168,927
		893			893
			803,393		803,393
\$22,645	\$20,566	\$80,101	\$856,132		\$1,864,606
					\$108,334
					3,266
	\$20,566			\$313,222	321,836
		\$75,546			20,566
					75,546
	20,566	75,546		313,222	529,548
					198,081
					31,050
					294,232
			\$803,393		803,393
					2,446
\$22,645		4,555	52,739	(313,222)	5,856
22,645		4,555	856,132	(313,222)	1,335,058
\$22,645	\$20,566	\$80,101	\$856,132		\$1,864,606

# LAYTON CITY CORPORATION

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS For the year ended June 30, 2005

	Special Revenue				
	E911 Emergency Dispatch	Davis Metro Narcotics Strike Force	Victims Services	CDBG Grant	Impact Fee
<b>Revenues:</b>					
Taxes and special assessments					
Intergovernmental		\$375,872	\$42,058	\$409,000	
Charges for services	\$361,264				\$754,526
Miscellaneous	3,387	22,573		153,000	6,272
<b>Total revenues</b>	<b>364,651</b>	<b>398,445</b>	<b>42,058</b>	<b>562,000</b>	<b>760,798</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government			57,248		
Public safety	316,112	407,810			
Community and economic development				403,452	
Capital outlay					
<b>Debt service:</b>					
Principal					
Interest					
<b>Total expenditures</b>	<b>316,112</b>	<b>407,810</b>	<b>57,248</b>	<b>403,452</b>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>48,539</b>	<b>(9,365)</b>	<b>(15,190)</b>	<b>158,548</b>	<b>760,798</b>
<b>Other financing sources (uses):</b>					
Transfers in			17,492		
Transfers out				(78,128)	(1,135,000)
Proceeds from sale of capital assets		13,025			
<b>Total other financing sources (uses)</b>		<b>13,025</b>	<b>17,492</b>	<b>(78,128)</b>	<b>(1,135,000)</b>
<b>Net change in fund balances</b>	<b>48,539</b>	<b>3,660</b>	<b>2,302</b>	<b>80,420</b>	<b>(374,202)</b>
<b>Fund balances (deficit) - beginning</b>	<b>245,953</b>	<b>130,120</b>	<b>97</b>	<b>24,726</b>	<b>603,333</b>
<b>Fund balances (deficit) - ending</b>	<b>\$294,492</b>	<b>\$133,780</b>	<b>\$2,399</b>	<b>\$105,146</b>	<b>\$229,131</b>

<u>Special Revenue</u>			<u>Debt Service</u>	<u>Capital Project</u>	Total Nonmajor Governmental Funds
<u>Streetscape Maintenance</u>	<u>Local Law Enforcement Block Grant</u>	<u>Redevelopment Agency</u>	<u>Debt Service</u>	<u>Redevelopment Agency</u>	
	\$22,420		\$86,353		\$86,353
\$400					849,350
	90		389,636		1,116,190
					574,958
400	22,510		475,989		2,626,851
					57,248
					723,922
					403,452
				\$51,797	51,797
			910,855		910,855
			113,313		113,313
			1,024,168	51,797	2,260,587
400	22,510		(548,179)	(51,797)	366,264
			422,496		439,988
	(22,510)				(1,235,638)
					13,025
	(22,510)		422,496		(782,625)
400			(125,683)	(51,797)	(416,361)
22,245		4,555	981,815	(261,425)	1,751,419
\$22,645		\$4,555	\$856,132	(\$313,222)	\$1,335,058

# LAYTON CITY CORPORATION

## GENERAL FUND COMPARATIVE BALANCE SHEET

June 30, 2005 and 2004

	2005	2004
<u>Assets</u>		
Cash and cash equivalents	\$3,002,685	\$3,838,415
Receivables:		
Taxes and intergovernmental	8,440,463	7,775,655
Accounts	47,884	42,715
Grants	67,594	67,062
Special assessments	612	784
Due from other funds	8,614	91,670
Prepaid	25,460	9,404
Restricted assets:		
Cash and cash equivalents	979,681	612,810
Total assets	<u>\$12,572,993</u>	<u>\$12,438,515</u>
<u>Liabilities and fund balance</u>		
Liabilities:		
Accounts payable	\$343,756	\$307,541
Accrued liabilities	1,306,912	1,344,369
Customer deposits	979,681	612,810
Due to developers	45,517	47,917
Deferred revenue	5,632,957	5,186,347
Total liabilities	<u>8,308,823</u>	<u>7,498,984</u>
Fund balance:		
Reserved for:		
Class c roads	42,363	491,200
Encumbrances	158,367	838,780
Total reserved	200,730	1,329,980
Unreserved, undesignated	4,063,440	3,609,551
Total fund balance	<u>4,264,170</u>	<u>4,939,531</u>
Total liabilities and fund balance	<u>\$12,572,993</u>	<u>\$12,438,515</u>

# LAYTON CITY CORPORATION

## GENERAL FUND

### COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the years ended June 30, 2005 and 2004

	2005	2004
<b><u>Revenues</u></b>		
Taxes and special assessments	\$19,105,114	\$17,247,118
Licenses and permits	1,157,542	1,309,257
Intergovernmental	2,141,565	2,398,518
Charges for services	475,338	634,728
Fines and forfeitures	291,415	231,300
Miscellaneous	546,129	482,146
Total revenues	23,717,103	22,303,067
<b><u>Expenditures</u></b>		
Current:		
General government	3,375,796	3,334,589
Public safety	10,251,827	9,556,451
Community and economic development	1,136,273	1,162,992
Streets and public improvements	3,623,479	2,965,941
Parks and recreation	2,544,165	2,377,633
Total expenditures	20,931,540	19,397,606
Excess of revenues over expenditures	2,785,563	2,905,461
<b><u>Other financing sources (uses)</u></b>		
Transfers in:		
LLE block grant fund	22,510	14,668
Municipal building authority		1,988
Impact fee fund	75,000	
Water fund	66,048	65,063
Storm sewer fund	46,440	
Sewer fund	25,104	24,571
CDBG block grant fund	78,128	17,000
Total transfers in	313,230	123,290
Transfers out:		
Swimming pool fund	(218,955)	(234,659)
Debt service fund	(422,496)	(342,000)
Capital projects fund	(2,782,390)	(2,131,838)
Victim services fund	(17,492)	(14,321)
Storm sewer fund	(232,000)	
EMS fund	(242,272)	(100,000)
Total transfers out	(3,915,605)	(2,822,818)
Sale of capital assets	91,307	
Contribution from employee group	50,144	
Total other financing sources and uses	(3,460,924)	(2,699,528)
Net change in fund balances	(675,361)	205,933
Fund balances - beginning	4,939,531	4,733,598
Fund balances - ending	\$4,264,170	\$4,939,531

# LAYTON CITY CORPORATION

## E911 EMERGENCY DISPATCH FUND COMPARATIVE BALANCE SHEET

June 30, 2005 and 2004

	2005	2004
<u>Assets</u>		
Cash and cash equivalents	\$230,743	\$183,069
Accounts receivable	63,925	74,402
Total assets	<u>\$294,668</u>	<u>\$257,471</u>
<u>Liabilities and fund balance</u>		
Liabilities:		
Accounts payable	\$176	\$11,518
Total liabilities	<u>176</u>	<u>11,518</u>
Fund balance:		
Reserved for encumbrances	260	
Unreserved	294,232	245,953
Total fund balance	<u>294,492</u>	<u>245,953</u>
Total liabilities and fund balance	<u>\$294,668</u>	<u>\$257,471</u>



# LAYTON CITY CORPORATION

## E911 EMERGENCY DISPATCH FUND

### COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2005

(with comparative actual amounts for year ended June 30, 2004)

	2005				2004
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<b>Revenues</b>					
Intergovernmental:					
EMS supplies grant	\$480	\$480		(\$480)	\$1,092
Charges for services:					
Telephone fees	378,200	378,200	\$361,264	(16,936)	297,866
Miscellaneous:					
Interest	6,500	6,500	3,387	(3,113)	4,451
Total revenues	385,180	385,180	364,651	(20,529)	303,409
<b>Expenditures</b>					
Current:					
Public safety:					
Salaries, wages and benefits	196,373	196,373	196,373		159,028
Materials and supplies	132,256	134,006	106,613	27,393	104,503
Equipment	17,200	15,450	13,126	2,324	170,896
Total expenditures	345,829	345,829	316,112	29,717	434,427
Net change in fund balance	39,351	39,351	48,539	9,188	(131,018)
Fund balance at beginning of year	245,953	245,953	245,953		376,971
Fund balance at end of year	\$285,304	\$285,304	\$294,492	\$9,188	\$245,953

# LAYTON CITY CORPORATION

## DAVIS METRO NARCOTICS STRIKE FORCE FUND COMPARATIVE BALANCE SHEET

June 30, 2005 and 2004

	2005	2004
<b><u>Assets</u></b>		
Cash and cash equivalents	\$86,059	\$78,809
Receivables:		
Accounts		13,825
Grants	156,694	58,062
<b>Total assets</b>	<b>\$242,753</b>	<b>\$150,696</b>
<b><u>Liabilities and fund balance</u></b>		
<b><u>Liabilities:</u></b>		
Accounts payable	\$108,150	\$16,682
Accrued liabilities	823	694
Unearned revenue		3,200
<b>Total liabilities</b>	<b>108,973</b>	<b>20,576</b>
<b><u>Fund balance:</u></b>		
Reserved for encumbrances	2,032	
Unreserved, undesignated	131,748	130,120
<b>Total fund balance</b>	<b>133,780</b>	<b>130,120</b>
<b>Total liabilities and fund balance</b>	<b>\$242,753</b>	<b>\$150,696</b>

# LAYTON CITY CORPORATION

## DAVIS METRO NARCOTICS STRIKE FORCE FUND COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2005  
(with comparative actual amounts for year ended June 30, 2004)

	2005				2004
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<b>Revenues</b>					
Intergovernmental:					
Byrne grant	\$170,000	\$164,647	\$156,584	(\$8,063)	\$98,137
HIDTA grant	52,000	31,050	31,050		10,058
Homeland security grant		138,229	134,254	(3,975)	
Assessments	51,000	51,000	53,984	2,984	3,750
Miscellaneous:					
Restitution and forfeited seizures	23,000	14,603	15,608	1,005	4,432
Interest			2,175	2,175	496
Other		4,000	4,790	790	5,696
Total revenues	296,000	403,529	398,445	(5,084)	122,569
<b>Expenditures</b>					
Current:					
Public safety:					
Salaries, wages and benefits	86,782	73,002	70,752	2,250	30,254
Materials and supplies	127,883	129,357	124,191	5,166	81,710
Equipment	30,000	216,811	212,867	3,944	9,000
Total expenditures	244,665	419,170	407,810	11,360	120,964
Excess (deficiency) of revenues over (under) expenditures	51,335	(15,641)	(9,365)	6,276	1,605
<b>Other financing sources</b>					
Sale of capital assets		13,025	13,025		
Net change in fund balance	51,335	(2,616)	3,660	6,276	1,605
Fund balance at beginning of year - as previously reported	130,120	130,120	130,120		128,515
Prior period adjustment					
Fund balance at beginning of year - as restated	130,120	130,120	130,120		128,515
Fund balance at end of year	\$181,455	\$127,504	\$133,780	\$6,276	\$130,120

# LAYTON CITY CORPORATION

## VICTIMS SERVICES FUND COMPARATIVE BALANCE SHEET

June 30, 2005 and 2004

	2005	2004
<u>Assets</u>		
Accounts receivable - grants	\$12,233	\$12,227
Total assets	\$12,233	\$12,227
<u>Liabilities and fund balance</u>		
Liabilities:		
Accounts payable	\$8	\$428
Accrued liabilities	1,212	1,050
Due to other funds	8,614	10,652
Total liabilities	9,834	12,130
Fund balance:		
Reserved for encumbrances	154	
Unreserved, undesignated	2,245	97
Total fund balance	2,399	97
Total liabilities and fund balance	\$12,233	\$12,227

# LAYTON CITY CORPORATION

## VICTIMS SERVICES FUND

### COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2005

(with comparative actual amounts for year ended June 30, 2004)

	2005				2004
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<u>Revenues</u>					
Intergovernmental:					
VOCA grant	\$40,094	\$40,094	\$42,058	\$1,964	\$40,094
Total revenues	40,094	40,094	42,058	1,964	40,094
<u>Expenditures</u>					
Current:					
General government:					
Salaries, wages and benefits	53,400	53,400	53,230	170	49,962
Materials and supplies	4,186	4,186	4,018	168	4,356
Total expenditures	57,586	57,586	57,248	338	54,318
Deficiency of revenues under expenditures	(17,492)	(17,492)	(15,190)	2,302	(14,224)
<u>Other financing sources:</u>					
Transfers in	17,492	17,492	17,492		14,321
Net change in fund balance			2,302	2,302	97
Fund balance at beginning of year	97	97	97		
Fund balance at end of year	\$97	\$97	\$2,399	\$2,302	\$97

# LAYTON CITY CORPORATION

## CDBG GRANT FUND COMPARATIVE BALANCE SHEET

June 30, 2005 and 2004

	2005	2004
<u>Assets</u>		
Cash and cash equivalents	\$106,377	\$25,628
Accounts receivable		19,137
Total assets	<u>\$106,377</u>	<u>\$44,765</u>
<u>Liabilities and fund balance</u>		
Liabilities:		
Accrued liabilities	\$1,231	\$902
Deferred revenue		19,137
Total liabilities	1,231	20,039
Fund balance:		
Unreserved	105,146	24,726
Total liabilities and fund balance	<u>\$106,377</u>	<u>\$44,765</u>

# LAYTON CITY CORPORATION

## CDBG GRANT FUND

### COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2005

(with comparative actual amounts for year ended June 30, 2004)

	2005				2004
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<b>Revenues</b>					
Intergovernmental:					
CDBG grant	\$409,000	\$409,000	\$409,000		\$404,700
Miscellaneous:					
Housing programs	200,000	153,000	153,000		(4,819)
<b>Total revenue</b>	<b>609,000</b>	<b>562,000</b>	<b>562,000</b>		<b>399,881</b>
<b>Expenditures</b>					
Current:					
Community and economic development:					
Salaries, wages and benefits	38,647	38,647	40,353	(\$1,706)	35,876
Materials, supplies and programs	89,025	83,125	79,199	3,926	122,634
Housing	427,200	386,100	283,900	102,200	240,318
<b>Total expenditures</b>	<b>554,872</b>	<b>507,872</b>	<b>403,452</b>	<b>104,420</b>	<b>398,828</b>
Excess of revenues over expenditures	54,128	54,128	158,548	104,420	1,053
<b>Other financing uses</b>					
Transfers out	(54,128)	(78,128)	(78,128)		(17,000)
Net change in fund balance		(24,000)	80,420	104,420	(15,947)
Fund balance - beginning	24,726	24,726	24,726		40,673
Fund balance - ending	<b>\$24,726</b>	<b>\$726</b>	<b>\$105,146</b>	<b>\$104,420</b>	<b>\$24,726</b>

# LAYTON CITY CORPORATION

## IMPACT FEE FUND COMPARATIVE BALANCE SHEET

June 30, 2005 and 2004

	2005	2004
<hr/>		
<u>Assets</u>		
Cash and cash equivalents	\$229,131	\$603,333
	<hr/>	
Total assets	\$229,131	\$603,333
	<hr/>	
<u>Liabilities and fund balance</u>		
Fund balance:		
Reserved for street construction	\$198,081	\$460,696
Reserved for park development	31,050	142,637
	<hr/>	
Total fund balance	229,131	603,333
	<hr/>	
Total liabilities and fund balance	\$229,131	\$603,333
	<hr/>	



# LAYTON CITY CORPORATION

## IMPACT FEE FUND

### COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2005

(with comparative actual amounts for year ended June 30, 2004)

	2005				2004
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<b>Revenues</b>					
Charges for services:					
Transportation impact fees	\$525,000	\$446,000	\$483,371	\$37,371	\$739,416
Park impact fees	320,000	240,000	271,155	31,155	330,130
Miscellaneous:					
Interest	7,000	7,000	6,272	(728)	7,445
Total revenues	852,000	693,000	760,798	67,798	1,076,991
<b>Other financing uses</b>					
Transfers out:					
General fund	150,000	75,000	75,000		
Capital projects fund:					
Street projects	750,000	750,000	750,000		405,000
Park projects	250,000	310,000	310,000		310,000
Total other financing uses	1,150,000	1,135,000	1,135,000		715,000
Net change in fund balance	(298,000)	(442,000)	(374,202)	67,798	361,991
Fund balance - beginning	603,333	603,333	603,333		241,342
Fund balance - ending	\$305,333	\$161,333	\$229,131	\$67,798	\$603,333

LAYTON CITY CORPORATION

STREETSCAPE MAINTENANCE FUND  
COMPARATIVE BALANCE SHEET

June 30, 2005 and 2004

	2005	2004
<hr/>		
<u>Assets</u>		
Cash and cash equivalents	\$22,645	\$22,245
	<hr/>	
Total assets	\$22,645	\$22,245
	<hr/>	
<u>Liabilities and fund balance</u>		
Fund balance:		
Unreserved	\$22,645	\$22,245
	<hr/>	
Total liabilities and fund balance	\$22,645	\$22,245
	<hr/>	

# LAYTON CITY CORPORATION

## STREETSCAPE MAINTENANCE FUND

### COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2005

(with comparative actual amounts for year ended June 30, 2004)

	2005				2004
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<b>Revenues</b>					
Charges for services:					
Maintenance fees			\$400	\$400	\$3,920
Total revenues			400	400	3,920
Fund balance - beginning	\$22,245	\$22,245	22,245		18,325
Fund balance - ending	\$22,245	\$22,245	\$22,645	\$400	\$22,245

LAYTON CITY CORPORATION

LOCAL LAW ENFORCEMENT BLOCK GRANT FUND  
COMPARATIVE BALANCE SHEET

June 30, 2005 and 2004

	2005	2004
<hr/>		
<u>Assets</u>		
Cash and cash equivalents	\$20,566	\$34,940
	<hr/>	
Total assets	<u>\$20,566</u>	<u>\$34,940</u>
<u>Liabilities and fund balance</u>		
Liabilities:		
Unearned revenue	\$20,566	\$34,940
	<hr/>	
Total liabilities and fund balance	<u>\$20,566</u>	<u>\$34,940</u>

# LAYTON CITY CORPORATION

## LOCAL LAW ENFORCEMENT BLOCK GRANT FUND COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2005  
(with comparative actual amounts for year ended June 30, 2004)

	2005				2004
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<b>Revenues</b>					
Intergovernmental:					
LLE block grant		\$22,421	\$22,420	(\$1)	\$14,668
Miscellaneous:					
Interest		100	90	(10)	
Total revenues		22,521	22,510	(11)	14,668
<b>Other financing uses</b>					
Transfers out		22,521	22,510	11	14,668
Total other financing uses		22,521	22,510	11	14,668
Net change in fund balance					
Fund balance - beginning					
Fund balance - ending					

# LAYTON CITY CORPORATION

## REDEVELOPMENT AGENCY FUND COMPARATIVE BALANCE SHEET

June 30, 2005 and 2004

	2005	2004
<hr/>		
<u>Assets</u>		
Cash and cash equivalents	\$3,662	\$6,845
Accounts receivable	75,546	
Due from other funds	893	
	<hr/>	
Total assets	\$80,101	\$6,845
	<hr/>	
<u>Liabilities and fund balance</u>		
Accounts payable		\$2,290
Deferred revenue	\$75,546	
Fund balance:		
Unreserved	4,555	4,555
	<hr/>	
Total liabilities and fund balance	\$80,101	\$6,845
	<hr/>	

# LAYTON CITY CORPORATION

## REDEVELOPMENT AGENCY FUND

### COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2005

(with comparative actual amounts for the year ended June 30, 2004)

	2005				2004
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<u>Expenditures</u>					
Current:					
Community and economic development:					
Material and supplies	\$1,575	\$1,575		\$1,575	4,503
Net change in fund balance	(1,575)	(1,575)		1,575	(4,503)
Fund balance - beginning	4,555	4,555	4,555		\$9,058
Fund balance - ending	\$2,980	\$2,980	\$4,555	\$1,575	\$4,555

# LAYTON CITY CORPORATION

## LAYTON CITY DEBT SERVICE FUND COMPARATIVE BALANCE SHEET

June 30, 2005 and 2004

	2005	2004
<u>Assets</u>		
Cash and cash equivalents	\$45,314	\$133,661
Accounts receivable - taxes	7,425	27,731
Cash and cash equivalents - restricted	803,393	805,393
Due from other funds		15,030
Total assets	<u>\$856,132</u>	<u>\$981,815</u>
<u>Liabilities and fund balance</u>		
Fund balance:		
Reserved	\$803,393	\$805,393
Unreserved	52,739	176,422
Total liabilities and fund balance	<u>\$856,132</u>	<u>\$981,815</u>



# LAYTON CITY CORPORATION

## LAYTON CITY DEBT SERVICE FUND

### COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2005

(with comparative totals for the year ended June 30, 2004)

	2005				2004
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<b>Revenues</b>					
Taxes and special assessments:					
Transient room taxes		\$95,000	\$86,353	(\$8,647)	\$48,979
Miscellaneous:					
Lease	\$376,668	376,668	376,668		376,668
Interest		7,500	12,968	5,468	5,637
Total revenues	376,668	479,168	475,989	(3,179)	431,284
<b>Expenditures</b>					
Community and economic development					700,000
Debt service:					
Principal	820,000	920,000	910,855	9,145	16,214
Interest	132,164	122,764	113,313	9,451	60,100
Bond issuance costs					117,243
Lease					5,308,538
Total expenditures	952,164	1,042,764	1,024,168	18,596	6,202,095
Deficiency of revenues under expenditures	(575,496)	(563,596)	(548,179)	15,417	(5,770,811)
<b>Other financing sources (uses)</b>					
Transfers in:					
General fund	575,496	422,496	422,496		342,000
City center debt service fund					932,694
Note payable					700,000
Sale tax and refunding bonds issued					4,615,000
Bond issuance premium					159,891
Total other financing sources and uses	575,496	422,496	422,496		6,749,585
Net change in fund balance		(141,100)	(125,683)	15,417	978,774
Fund balance - beginning	981,815	981,815	981,815		3,041
Fund balance - ending	\$981,815	\$840,715	\$856,132	\$15,417	\$981,815

# LAYTON CITY CORPORATION

## LAYTON CITY CAPITAL PROJECTS FUND COMPARATIVE BALANCE SHEET

June 30, 2005 and 2004

	2005	2004
<u>Assets</u>		
Cash and cash equivalents	\$1,665,413	\$2,795,931
Due from redevelopment agency fund	312,329	312,329
Total assets	<u>\$1,977,742</u>	<u>\$3,108,260</u>
<u>Liabilities and fund balance</u>		
<u>Liabilities:</u>		
Accounts payable	\$201,136	\$1,718,476
Total liabilities	<u>201,136</u>	<u>1,718,476</u>
<u>Fund balance:</u>		
<u>Reserved for:</u>		
Class c roads	566,054	6,054
Transportation impact fees	559,814	143,366
Park impact fees	18,914	346,457
Total reserved	<u>1,144,782</u>	<u>495,877</u>
<u>Unreserved:</u>		
Designated for capital projects	590,567	736,726
Undesignated	41,257	157,181
Total unreserved	<u>631,824</u>	<u>893,907</u>
Total fund balance	<u>1,776,606</u>	<u>1,389,784</u>
Total liabilities and fund balance	<u>\$1,977,742</u>	<u>\$3,108,260</u>

# LAYTON CITY CORPORATION

## LAYTON CITY CAPITAL PROJECTS FUND

### COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2005

(with comparative actual amounts for year ended June 30, 2004)

	2005			Variance With Final Budget - Positive (Negative)	2004
	Original Budget	Final Budget	Actual		Actual
<u>Revenues</u>					
Intergovernmental:					
HUD grant					\$70,000
Total revenues					70,000
<u>Expenditures</u>					
Capital outlay	\$4,836,999	\$5,024,993	\$3,395,568	\$1,629,425	5,453,461
Total expenditures	4,836,999	5,024,993	3,395,568	1,629,425	5,453,461
Deficiency of revenues under expenditures	(4,836,999)	(5,024,993)	(3,395,568)	1,629,425	(5,383,461)
<u>Other financing sources (uses)</u>					
Transfers in:					
Impact fee fund	1,000,000	1,060,000	1,060,000		715,000
General fund	2,604,396	2,807,390	2,782,390	(25,000)	2,131,838
Total transfers in	3,604,396	3,867,390	3,842,390	(25,000)	2,846,838
Transfers out:					
Water fund		(60,000)	(60,000)		
Total other financing sources and uses	3,604,396	3,807,390	3,782,390	(25,000)	2,846,838
Net change in fund balance	(1,232,603)	(1,217,603)	386,822	1,604,425	(2,536,623)
Fund balance - beginning	1,389,784	1,389,784	1,389,784		3,926,407
Fund balance - ending	\$157,181	\$172,181	\$1,776,606	\$1,604,425	\$1,389,784

LAYTON CITY CORPORATION

REDEVELOPMENT AGENCY CAPITAL PROJECT FUND  
COMPARATIVE BALANCE SHEET

June 30, 2005 and 2004

	2005	2004
<u>Assets</u>		
Cash and cash equivalents		\$116,368
Total assets		<u>\$116,368</u>
<u>Liabilities and fund balance</u>		
Liabilities:		
Accounts payable		\$65,464
Due to other funds	\$313,222	312,329
Total liabilities	313,222	377,793
Fund deficit	(313,222)	(261,425)
Total liabilities and fund balance		<u>\$116,368</u>

# LAYTON CITY CORPORATION

## REDEVELOPMENT AGENCY CAPITAL PROJECT FUND

### COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2005

(with comparative actual amounts for the year ended June 30, 2004)

	2005				2004
	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Actual
<u>Expenditures</u>					
Capital outlay	\$57,804	\$57,804	\$51,797	\$6,007	\$65,464
Net change in fund balance	(57,804)	(57,804)	(51,797)	6,007	(65,464)
Fund deficit - beginning	(261,425)	(261,425)	(261,425)		(195,961)
Fund deficit - ending	(\$319,229)	(\$319,229)	(\$313,222)	\$6,007	(\$261,425)

# LAYTON CITY CORPORATION

## COMBINING STATEMENT OF NET ASSETS NONMAJOR PROPRIETARY FUNDS June 30, 2005

	Swimming Pool	EMS	Athletic Programs	Total Nonmajor Proprietary Funds
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$254,024	\$106,540	\$40,573	\$401,137
Accounts receivable, net		137,187		137,187
Inventory	2,958			2,958
Total current assets	256,982	243,727	40,573	541,282
Noncurrent assets:				
Capital assets:				
Land	1,000			1,000
Buildings	2,218,732			2,218,732
Improvements other than buildings	20,112			20,112
Equipment	632,698	878,626		1,511,324
Less: accumulated depreciation	(2,038,753)	(492,885)		(2,531,638)
Total noncurrent assets	833,789	385,741		1,219,530
Total assets	1,090,771	629,468	40,573	1,760,812
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	18,136	8,261	12,185	38,582
Accrued liabilities	15,858	24,718	6,696	47,272
Payable to other governments		4,544		4,544
Total current liabilities	33,994	37,523	18,881	90,398
Noncurrent liabilities:				
Compensated absences payable	13,011	92,340		105,351
Total liabilities	47,005	129,863	18,881	195,749
<b>Net Assets</b>				
Invested in capital assets, net of related debt	833,789	385,741		1,219,530
Unrestricted	209,977	113,864		345,533
Total net assets	\$1,043,766	\$499,605	\$21,692	\$1,565,063

# LAYTON CITY CORPORATION

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS NONMAJOR PROPRIETARY FUNDS For the year ended June 30, 2005

	Swimming Pool	EMS	Athletic Programs	Total Nonmajor Proprietary Funds
<b><u>Operating revenues</u></b>				
Charges for services	\$405,075	\$949,863	\$234,951	\$1,589,889
Miscellaneous	59,711	23,025		82,736
Total operating revenues	464,786	972,888	234,951	1,672,625
<b><u>Operating expenses</u></b>				
Salaries, wages and benefits	322,239	896,267	77,660	1,296,166
Supplies and maintenance	172,515	112,519	146,512	431,546
Utilities	178,615	6,237		184,852
Professional services and training	2,941	68,233		71,174
Insurance	7,111	9,094		16,205
Bad debt collection fees		9,920		9,920
Depreciation	76,811	65,397		142,208
Total operating expenses	760,232	1,167,667	224,172	2,152,071
Operating income (loss)	(295,446)	(194,779)	10,779	(479,446)
<b><u>Nonoperating revenues (expenses)</u></b>				
Interest		1,236		1,236
Grant proceeds		47,015		47,015
Gain from sale or disposal of capital assets		30,727		30,727
Total nonoperating revenues (expenses)		78,978		78,978
Income (loss) before contributions and transfers	(295,446)	(115,801)	10,779	(400,468)
Capital contributions	282,380			282,380
Transfers in	218,955	242,272		461,227
Change in net assets	205,889	126,471	10,779	343,139
Total net assets - beginning	837,877	373,134	10,913	1,221,924
Total net assets - ending	\$1,043,766	\$499,605	\$21,692	\$1,565,063

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# LAYTON CITY CORPORATION

## COMBINING STATEMENT OF CASH FLOWS NONMAJOR PROPRIETARY FUNDS For the year ended June 30, 2005

	Swimming Pool	EMS	Athletic Programs	Total Nonmajor Proprietary Funds
<b><u>Cash flow from operating activities</u></b>				
Receipts from customers	\$405,266	\$976,249	\$234,951	\$1,616,466
Receipts from interfund services provided	59,520			59,520
Payments to suppliers	(310,349)	(177,424)	(142,291)	(630,064)
Payments for interfund services used	(68,649)	(2,112)		(70,761)
Payments to other governments		(24,708)		(24,708)
Payments to employees	(317,718)	(856,750)	(75,562)	(1,250,030)
Net cash provided (used) by operating activities	(231,930)	(84,745)	17,098	(299,577)
<b><u>Cash flow from non-capital financing activities</u></b>				
Transfers from general fund	218,955	242,272		461,227
Proceeds from state and federal grants		47,015		47,015
Net cash provided by non-capital financing activities	218,955	289,287		508,242
<b><u>Cash flow from capital and related financing activities</u></b>				
Proceeds from sale of capital assets		41,750		41,750
Purchase of capital assets	(5,000)	(308,025)		(313,025)
Net cash used by capital and related financing activities	(5,000)	(266,275)		(271,275)
<b><u>Cash flow from investing activities</u></b>				
Interest earned on investments		1,236		1,236
Net cash provided by investing activities		1,236		1,236
Net increase (decrease) in cash and cash equivalents	(17,975)	(60,497)	17,098	(61,374)
Cash and cash equivalents at beginning of year	271,999	167,037	23,475	462,511
Cash and cash equivalents at end of year	\$254,024	\$106,540	\$40,573	401,137
 Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	(\$295,446)	(\$194,779)	\$10,779	(479,446)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	76,811	65,397		142,208
Decrease in accounts receivable		3,361		3,361
Decrease in inventories	1,483			1,483
Increase (decrease) in accounts payable	(19,299)	3,546	4,221	(11,532)
Increase (decrease) in accrued liabilities	2,180	8,540	2,098	12,818
Increase (decrease) in compensated absences	2,341	30,977		33,318
Increase (decrease) in amounts due to other governmental units		(1,787)		(1,787)
Total adjustments	63,516	110,034	6,319	179,869
Net cash provided (used) by operating activities	(\$231,930)	(\$84,745)	\$17,098	(\$299,577)
 Non cash investing capital and financing activities				
Contribution from general government	\$282,380			\$282,380

# LAYTON CITY CORPORATION

## WATER FUND COMPARATIVE SCHEDULE OF NET ASSETS

June 30, 2005 and 2004

	2005	2004
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$812,991	\$2,002,845
Accounts receivable, net	931,611	1,103,533
Prepaid expense	499,428	461,913
Total current assets	2,244,030	3,568,291
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents		138,304
Special assessments receivable		239
Deferred charges	50,650	56,981
Investment in water stocks and rights	68,071	68,071
Capital assets:		
Land	355,819	355,819
Improvements other than buildings	397,467	397,467
Distribution system	33,907,954	32,845,338
Equipment	1,465,171	1,242,558
Construction in progress	1,573,505	600,842
Less: accumulated depreciation	(9,811,772)	(9,085,267)
Total capital assets (net of accumulated depreciation)	27,888,144	26,356,757
Total noncurrent assets	28,006,865	26,620,352
Total assets	30,250,895	30,188,643
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	61,444	430,700
Accrued liabilities	36,954	28,505
Customer deposits	1,050	1,150
Due to other funds		15,030
Accrued bond interest payable	34,773	39,100
Bonds payable	280,000	303,787
Total current liabilities	414,221	818,272
Noncurrent liabilities:		
Compensated absences payable	120,350	104,998
Loan payable - sewer fund	600,000	600,000
Bonds payable	2,570,000	2,850,000
Total noncurrent liabilities	3,290,350	3,554,998
Total liabilities	3,704,571	4,373,270
<b>Net assets</b>		
Invested in capital assets, net of related debt	25,038,144	23,202,970
Restricted for debt service		76,545
Unrestricted	1,508,180	2,535,858
Total net assets	\$26,546,324	\$25,815,373

# LAYTON CITY CORPORATION

## WATER FUND

### COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the years ended June 30, 2005 and 2004

	2005	2004
<b><u>Operating revenues</u></b>		
Charges for services	\$4,040,460	\$4,483,121
Miscellaneous	21,327	17,491
Total operating revenues	4,061,787	4,500,612
<b><u>Operating expenses</u></b>		
Salaries wages and benefits	980,778	973,862
Supplies and maintenance	485,394	430,120
Utilities	484,159	347,595
Professional services and training	15,466	14,688
Water purchases	973,287	880,229
Insurance	76,095	72,532
Rent	64,116	58,504
Franchise tax	155,076	163,432
Bad debt collection fees	966	1,860
Depreciation	774,194	665,993
Total operating expenses	4,009,531	3,608,815
Operating income	52,256	891,797
<b><u>Nonoperating revenues (expenses)</u></b>		
Interest revenue	24,988	43,227
Connection charges	59,839	62,193
Impact fees	385,130	363,800
Exaction fees	12,714	
Bond issuance costs	(6,331)	(6,331)
Interest expense	(102,743)	(108,832)
Gain (loss) on sale or disposal of capital assets	4,100	8,805
Total nonoperating revenues (expenses)	377,697	362,862
Income before contributions and transfers	429,953	1,254,659
Transfers out	(66,048)	(65,063)
Transfers in	60,000	
Capital contributions	307,046	591,829
Change in net assets	730,951	1,781,425
Total net assets - beginning	25,815,373	24,033,948
Total net assets - ending	\$26,546,324	\$25,815,373

# LAYTON CITY CORPORATION

## STORM SEWER FUND COMPARATIVE SCHEDULE OF NET ASSETS

June 30, 2005 and 2004

	2005	2004
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$2,074,475	\$1,823,388
Accounts receivable, net	232,120	228,516
Total current assets	2,306,595	2,051,904
Noncurrent assets:		
Capital assets:		
Land	98,926	35,617
Collection system	27,426,681	25,416,073
Equipment	200,214	
Construction in progress	756,461	840,469
Less accumulated depreciation	(7,905,802)	(7,393,326)
Total noncurrent assets	20,576,480	18,898,833
Total assets	22,883,075	20,950,737
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	183,356	214,969
Accrued liabilities	3,918	2,089
Total current liabilities	187,274	217,058
Noncurrent liabilities:		
Compensated absences payable	18,349	14,948
Total liabilities	205,623	232,006
<u>Net assets</u>		
Invested in capital assets, net of related debt	20,576,480	18,898,833
Restricted for increased system capacity development	817,187	759,978
Unrestricted	1,283,785	1,059,920
Total net assets	\$22,677,452	\$20,718,731

# LAYTON CITY CORPORATION

## STORM SEWER FUND

### COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

For the years ended June 30, 2005 and 2004

	2005	2004
<u>Operating revenues</u>		
Charges for services	\$1,577,321	\$1,525,100
Total operating revenues	1,577,321	1,525,100
<u>Operating expenses</u>		
Salaries, wages and benefits	171,636	117,773
Supplies and maintenance	270,707	603,884
Utilities	3,576	
Professional services and training	13,349	2,000
Insurance	14,027	
Rent	28,488	
Franchise tax	46,152	
Bad debt collection fees	966	
Depreciation	512,476	443,435
Total operating expenses	1,061,377	1,167,092
Operating income	515,944	358,008
<u>Nonoperating revenues</u>		
Interest	43,283	27,503
Impact fees	534,632	363,487
Total nonoperating revenues	577,915	390,990
Income before contributions and transfers	1,093,859	748,998
Capital contributions	679,302	1,338,196
Transfers in	232,000	
Transfers out	(46,440)	
Change in net assets	1,958,721	2,087,194
Total net assets - beginning - as previously stated	20,718,731	17,024,765
Prior period adjustment		1,606,772
Total net assets - beginning - as restated	20,718,731	18,631,537
Total net assets - ending	\$22,677,452	\$20,718,731

# LAYTON CITY CORPORATION

## SEWER FUND

### COMPARATIVE SCHEDULE OF NET ASSETS

June 30, 2005 and 2004

	2005	2004
<b><u>Assets</u></b>		
Current assets:		
Cash and cash equivalents	\$1,724,516	\$2,067,966
Accounts receivable, net	517,524	483,746
Total current assets	2,242,040	2,551,712
Noncurrent assets:		
Special assessments receivable	1,418	1,418
Due from water fund	600,000	600,000
Capital assets:		
Collection system	11,819,229	11,523,149
Equipment	717,061	432,540
Construction in progress	30,606	
Less accumulated depreciation	(3,229,800)	(2,952,819)
Total capital assets ( net of accumulated depreciation)	9,337,096	9,002,870
Total noncurrent assets	9,938,514	9,604,288
Total assets	12,180,554	12,156,000
<b><u>Liabilities</u></b>		
Current liabilities:		
Accounts payable	252,382	295,055
Accrued liabilities	6,538	5,739
Payable to other governments	43,500	
Total current liabilities	302,420	300,794
Noncurrent liabilities:		
Compensated absences payable	12,583	13,403
Total liabilities	315,003	314,197
<b><u>Net Assets</u></b>		
Invested in capital assets, net of related debt	9,337,096	9,002,870
Unrestricted	2,528,455	2,838,933
Total net assets	\$11,865,551	\$11,841,803

# LAYTON CITY CORPORATION

## SEWER FUND

### COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the years ended June 30, 2005 and 2004

	2005	2004
<b><u>Operating revenues</u></b>		
Charges for services	\$2,700,176	\$2,681,602
Miscellaneous	7,558	
Total operating revenues	2,707,734	2,681,602
<b><u>Operating expenses</u></b>		
Salaries, wages and benefits	611,358	601,311
Supplies and maintenance	254,115	327,968
Utilities	6,337	2,506
Professional services and training	10,234	7,979
Sewage disposal contract	1,680,651	1,671,909
Insurance	35,493	51,204
Rent	42,744	49,873
Franchise tax	105,108	
Bad debt collection fees	965	1,032
Depreciation	276,981	281,618
Total operating expenses	3,023,986	2,995,400
Operating loss	(316,252)	(313,798)
<b><u>Nonoperating revenues</u></b>		
Interest	69,024	59,342
Connection charges		33,217
Total nonoperating revenues	69,024	92,559
Loss before contributions and transfers	(247,228)	(221,239)
Transfers out	(25,104)	(24,571)
Capital contributions	296,080	286,000
Change in net assets	23,748	40,190
Total net assets - beginning	11,841,803	11,801,613
Total net assets - ending	\$11,865,551	\$11,841,803

# LAYTON CITY CORPORATION

## REFUSE FUND COMPARATIVE SCHEDULE OF NET ASSETS

June 30, 2005 and 2004

	2005	2004
<b><u>Assets</u></b>		
Current assets:		
Cash and cash equivalents	\$57,110	
Accounts receivable, net	507,248	\$534,048
Total assets	564,358	534,048
<b><u>Liabilities</u></b>		
Current liabilities:		
Accounts payable	225,306	231,728
Due to other funds		81,018
Total liabilities	225,306	312,746
<b><u>Net assets</u></b>		
Unrestricted	339,052	221,302
Total net assets	\$339,052	\$221,302



# LAYTON CITY CORPORATION

## REFUSE FUND

### COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

June 30, 2005 and 2004

	2005	2004
<u>Operating revenues</u>		
Charges for services	\$2,890,622	\$3,020,854
Total operating revenues	2,890,622	3,020,854
<u>Operating expenses</u>		
Salaries, wages and benefits	49,694	47,618
Supplies and maintenance	35,792	38,022
Utilities	3,756	2,505
Refuse collection and disposal contracts	2,672,891	2,831,072
Insurance	2,657	5,494
Rent	7,116	7,125
Bad debt collection fees	966	1,032
Total operating expenses	2,772,872	2,932,868
Change in net assets	117,750	87,986
Total net assets - beginning	221,302	133,316
Total net assets - ending	\$339,052	\$221,302

# LAYTON CITY CORPORATION

## SWIMMING POOL FUND COMPARATIVE SCHEDULE OF NET ASSETS

June 30, 2005 and 2004

	2005	2004
<b><u>Assets</u></b>		
Current assets:		
Cash and cash equivalents	\$254,024	\$271,999
Inventory	2,958	4,441
Total current assets	256,982	276,440
Noncurrent assets:		
Capital assets:		
Land	1,000	1,000
Buildings	2,218,732	1,936,352
Improvements other than buildings	20,112	20,112
Equipment	632,698	627,698
Less accumulated depreciation	(2,038,753)	(1,961,942)
Total noncurrent assets	833,789	623,220
Total assets	1,090,771	899,660
<b><u>Liabilities</u></b>		
Current liabilities:		
Accounts payable	18,136	37,435
Accrued liabilities	15,858	13,678
Total current liabilities	33,994	51,113
Noncurrent liabilities:		
Compensated absences payable	13,011	10,670
Total liabilities	47,005	61,783
<b><u>Net Assets</u></b>		
Invested in capital assets, net of related debt	833,789	623,220
Unrestricted	209,977	214,657
Total net assets	\$1,043,766	\$837,877

# LAYTON CITY CORPORATION

## SWIMMING POOL FUND

### COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the years ended June 30, 2005 and 2004

	2005	2004
<u>Operating revenues</u>		
Charges for services	\$405,075	\$414,552
Miscellaneous	59,711	59,622
Total operating revenues	464,786	474,174
<u>Operating expenses</u>		
Salaries, wages and benefits	322,239	302,238
Supplies and maintenance	172,515	160,024
Utilities	178,615	182,657
Professional services and training	2,941	3,535
Insurance	7,111	12,601
Depreciation	76,811	74,451
Total operating expenses	760,232	735,506
Operating loss	(295,446)	(261,332)
Capital contributions	282,380	
Transfers in	218,955	234,659
Change in net assets	205,889	(26,673)
Total net assets - beginning	837,877	864,550
Total net assets - ending	\$1,043,766	\$837,877

# LAYTON CITY CORPORATION

## EMS FUND

### COMPARATIVE SCHEDULE OF NET ASSETS

June 30, 2005 and 2004

	2005	2004
<b><u>Assets</u></b>		
Current assets:		
Cash and cash equivalents	\$106,540	\$167,037
Accounts receivable, net	137,187	140,548
Total current assets	243,727	307,585
Noncurrent assets:		
Equipment	878,626	682,272
Less accumulated depreciation	(492,885)	(528,136)
Total noncurrent assets	385,741	154,136
Total assets	629,468	461,721
<b><u>Liabilities</u></b>		
Current liabilities:		
Accounts payable	8,261	4,715
Accrued liabilities	24,718	16,178
Payable to other governments	4,544	6,331
Total current liabilities	37,523	27,224
Noncurrent liabilities:		
Compensated absences payable	92,340	61,363
Total liabilities	129,863	88,587
<b><u>Net assets</u></b>		
Invested in capital assets, net of related debt	385,741	154,136
Unrestricted	113,864	218,998
Total net assets	\$499,605	\$373,134

# LAYTON CITY CORPORATION

## EMS FUND

### COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the years ended June 30, 2005 and 2004

	2005	2004
<u>Operating revenues</u>		
Charges for services	\$949,863	\$806,370
Miscellaneous	23,025	15,245
Total operating revenues	972,888	821,615
<u>Operating expenses</u>		
Salaries, wages and benefits	896,267	718,457
Supplies and maintenance	112,519	111,961
Utilities	6,237	5,710
Professional services and training	68,233	44,956
Insurance	9,094	9,435
Bad debt collection fees	9,920	9,965
Depreciation	65,397	62,577
Total operating expenses	1,167,667	963,061
Operating loss	(194,779)	(141,446)
<u>Nonoperating revenues</u>		
Interest	1,236	1,914
Grant proceeds	47,015	21,579
Gain from sale or disposal of capital assets	30,727	
Total nonoperating revenues	78,978	23,493
Loss before transfers	(115,801)	(117,953)
Transfers in	242,272	100,000
Change in net assets	126,471	(17,953)
Total net assets - beginning	373,134	391,087
Total net assets - ending	\$499,605	\$373,134

LAYTON CITY CORPORATION

ATHLETIC PROGRAMS FUND  
COMPARATIVE SCHEDULE OF NET ASSETS

June 30, 2005 and 2004

	2005	2004
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$40,573	\$23,475
 Total assets	 40,573	 23,475
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	12,185	7,964
Accrued liabilities	6,696	4,598
 Total liabilities	 18,881	 12,562
<u>Net assets</u>		
Unrestricted	21,692	10,913
 Total net assets	 \$21,692	 \$10,913

# LAYTON CITY CORPORATION

## ATHLETIC PROGRAMS FUND

### COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the years ended June 30, 2005 and 2004

	2005	2004
<u>Operating revenues</u>		
Charges for services	\$234,951	\$209,104
Total operating revenues	234,951	209,104
<u>Operating expenses</u>		
Salaries, wages and benefits	77,660	74,104
Supplies and maintenance	146,512	155,088
Total operating expenses	224,172	229,192
Change in net assets	10,779	(20,088)
Total net assets - beginning	10,913	31,001
Total net assets - ending	\$21,692	\$10,913

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# Layton City Corporation

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## Capital Assets Used In The Operation Of Governmental Funds

# LAYTON CITY CORPORATION

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS COMPARATIVE SCHEDULES BY SOURCE June 30, 2005 and 2004

	2005	2004
<b>Governmental funds capital assets:</b>		
Land	\$7,737,239	\$6,206,519
Buildings	16,110,629	16,110,629
Improvements other than buildings	2,325,710	2,325,710
Machinery and equipment	13,364,281	12,300,020
Infrastructure	10,301,786	4,409,205
Construction in progress	2,053,247	4,994,046
<b>Total governmental funds capital assets</b>	<b>\$51,892,892</b>	<b>\$46,346,129</b>
<b>Investment in governmental funds capital assets by source:</b>		
General fund	\$14,299,049	\$14,111,230
Special revenue funds	971,945	840,248
Capital projects funds	29,452,023	26,670,515
Donations	7,169,875	4,724,136
<b>Total investment in governmental fund capital assets</b>	<b>\$51,892,892</b>	<b>\$46,346,129</b>

LAYTON CITY CORPORATION

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
June 30, 2005

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General government:							
Administration	\$267,353	\$7,067,692	\$100,314	\$474,250			\$7,909,609
Legal				13,219			13,219
Management services		\$757,695		380,171			1,137,866
Finance				460,050			460,050
Total general government	267,353	7,825,387	100,314	1,327,690			9,520,744
Public safety:							
Police				3,707,505			3,707,505
E911 dispatch				563,147			563,147
Davis metro narcotics strike force				290,278			290,278
Fire	98,133	2,087,072		2,951,205			5,136,410
Total public safety	98,133	2,087,072		7,512,135			9,697,340
Community and economic development				278,950			278,950
Streets and public improvements:							
Streets	3,652,317			2,298,518	\$10,249,932	\$99,794	16,300,561
Shop	65,488	3,260,876		174,289			3,500,653
Storm sewer districts	156,218			259,484			415,702
Total streets and public improvements	3,874,023	3,260,876		2,732,291	10,249,932	99,794	20,216,916
Parks and recreation:							
Administration				15,688			15,688
Parks	3,497,730	599,430	1,872,578	1,324,631		1,826,274	9,120,643
Recreation		1,572,245	352,818	117,341	51,854	127,179	2,221,437
Museum/amphitheater		765,619		55,555			821,174
Total parks and recreation	3,497,730	2,937,294	2,225,396	1,513,215	51,854	1,953,453	12,178,942
Total governmental funds capital assets	\$7,737,239	\$16,110,629	\$2,325,710	\$13,364,281	\$10,301,786	\$2,053,247	\$51,892,892

# LAYTON CITY CORPORATION

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY For the fiscal year ended June 30, 2005

Function and Activity	Governmental Funds Capital Assets July 1, 2004	Additions	Deductions	Governmental Funds Capital Assets June 30, 2005
<b>General government:</b>				
Administration	\$7,909,609			\$7,909,609
Legal	13,219			13,219
Management services	1,165,546		\$27,680	1,137,866
Finance	571,219		111,169	460,050
<b>Total general government</b>	<b>9,659,593</b>		<b>138,849</b>	<b>9,520,744</b>
<b>Public safety:</b>				
Police	3,566,486	\$286,260	145,241	3,707,505
E911 dispatch	563,147			563,147
Davis metro narcotics strike force	158,581	169,517	37,820	290,278
Fire	4,344,977	850,839	59,406	5,136,410
<b>Total public safety</b>	<b>8,633,191</b>	<b>1,306,616</b>	<b>242,467</b>	<b>9,697,340</b>
<b>Community and economic development:</b>				
Community development	283,915	5,035	10,000	278,950
<b>Total community and economic development</b>	<b>283,915</b>	<b>5,035</b>	<b>10,000</b>	<b>278,950</b>
<b>Streets and public improvements:</b>				
Streets	12,474,021	7,573,510	3,746,970	16,300,561
Shop	3,500,653			3,500,653
Storm sewer districts	415,702			415,702
<b>Total streets and public improvements</b>	<b>16,390,376</b>	<b>7,573,510</b>	<b>3,746,970</b>	<b>20,216,916</b>
<b>Parks and recreation:</b>				
Administration	15,688			15,688
Parks	8,343,620	895,755	118,732	9,120,643
Recreation	2,198,572	22,865		2,221,437
Museum/amphitheater	821,174			821,174
<b>Total parks and recreation</b>	<b>11,379,054</b>	<b>918,620</b>	<b>118,732</b>	<b>12,178,942</b>
<b>Total governmental funds capital assets</b>	<b>\$46,346,129</b>	<b>\$9,803,781</b>	<b>\$4,257,018</b>	<b>\$51,892,892</b>



# Layton City Corporation

## Statistical Section

# LAYTON CITY CORPORATION

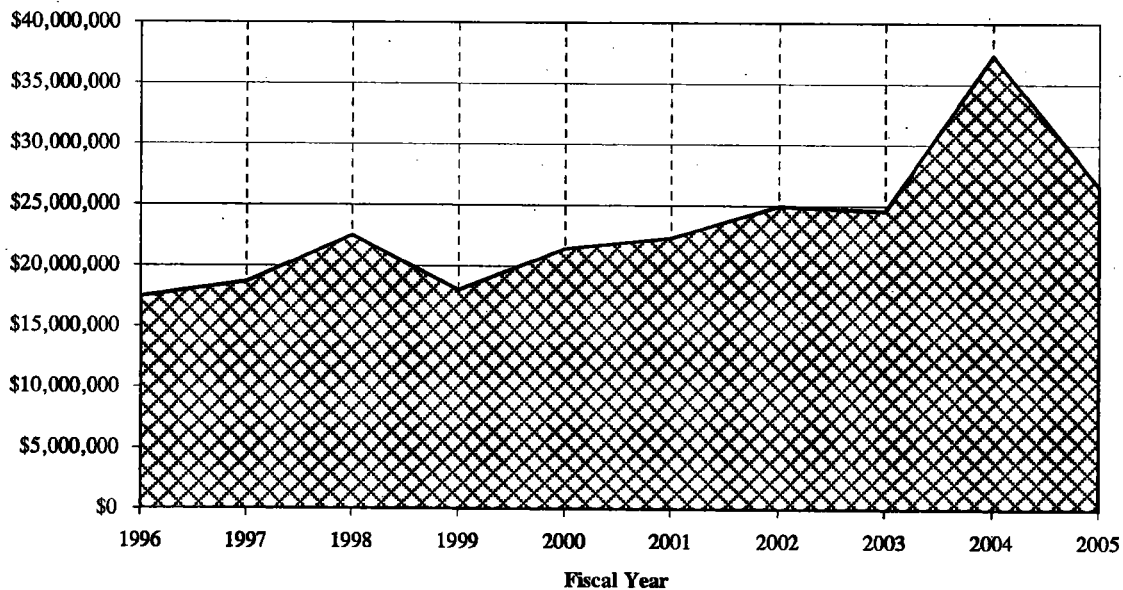
## GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION LAST TEN FISCAL YEARS

Fiscal Year	General Government	Public Safety	Community and Economic Development	Streets and Public Improvements	Parks and Recreation	Capital Projects	(1) Debt Service	Total
1996	\$1,603,782	\$4,712,626	\$664,963	\$2,304,925	\$1,123,914	\$5,265,168	\$1,767,823	\$17,443,201
1997	1,761,697	5,426,063	736,917	2,256,809	1,312,707	5,466,635	1,713,361	18,674,189
1998	1,895,123	5,854,256	781,706	2,611,379	1,556,292	7,996,743	1,774,738	22,470,237
1999	2,005,296	6,523,193	803,976	2,424,734	1,586,973	3,096,015	1,587,780	18,027,967
2000	2,577,184	7,652,012	917,044	2,625,238	1,878,337	4,126,476	1,659,653	21,435,944
2001	2,504,839	7,819,083	993,545	3,266,398	1,859,136	4,166,226	1,710,474	22,319,701
2002	2,942,652	8,346,538	1,019,649	3,494,132	1,989,659	5,439,584	1,708,816	24,941,030
2003	3,267,259	8,743,364	1,193,620	3,108,946	2,217,709	4,345,115	1,707,335	24,583,348
2004	3,388,907	10,111,842	1,582,537	2,965,941	2,377,633	5,518,925	11,404,144 (2)	37,349,929
2005	3,433,044	10,975,749	1,539,725	3,623,479	2,544,165	3,447,365	1,024,168	26,587,695

(1) Debt service includes principal, interest and capital lease payments

(2) The unusually high amount of debt service resulted from an early pay off a lease purchase agreement by the City to the Municipal Building Authority in the amount of \$5,308,538 and the Authority retirement of lease revenue bonds in the amount of \$5,760,000

### General Governmental Expenditures

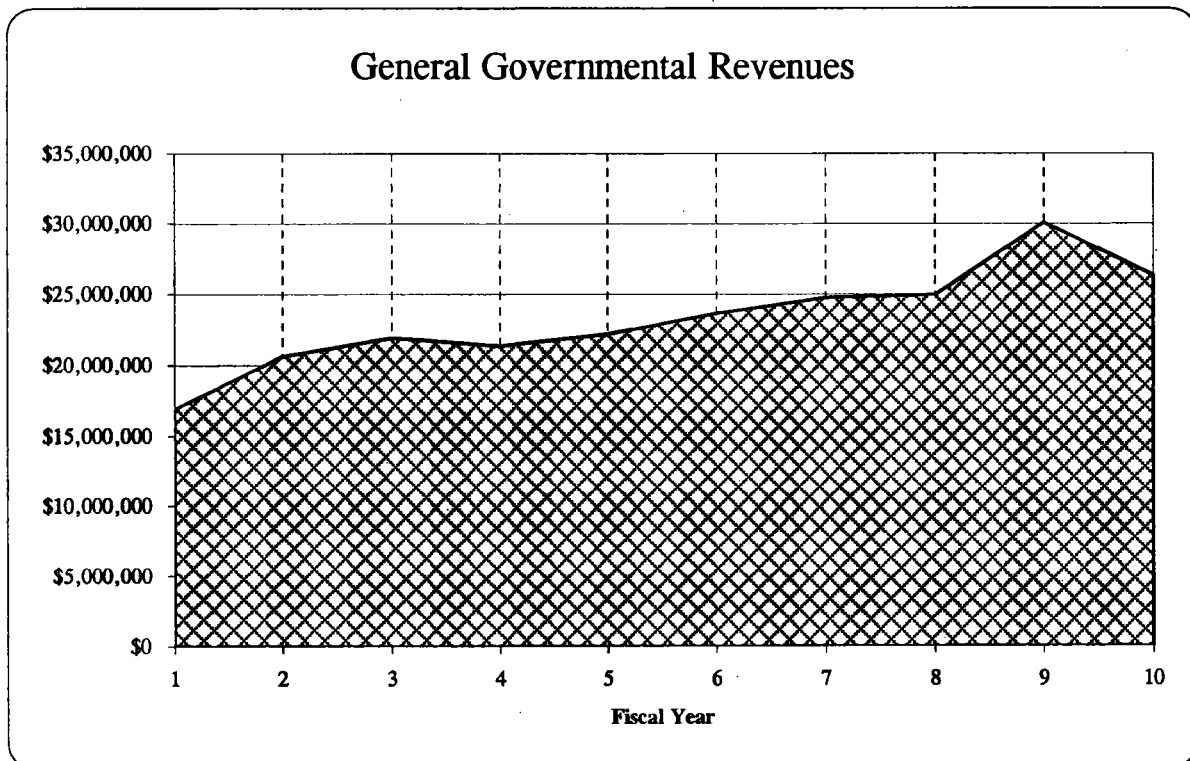


# LAYTON CITY CORPORATION

## GENERAL GOVERNMENTAL REVENUES BY SOURCE LAST TEN FISCAL YEARS

Fiscal Year	Taxes and Special Assessments	Licenses and Permits	Intergovernmental	Charges for Services	Fines and Forfeitures	Miscellaneous	Total
1996	\$11,373,908	\$800,671	\$961,318	\$1,618,848	\$219,692	\$1,936,308	\$16,910,745
1997	12,016,859	921,189	3,218,105	1,933,155	202,827	2,348,172	20,640,307
1998	12,797,205	1,051,444	3,062,475	2,246,812	202,193	2,580,387	21,940,516
1999	14,062,496	991,049	1,949,312	2,068,996	181,606	2,125,745	21,379,204
2000	14,763,232	848,109	2,441,191	1,693,080	173,552	2,295,385	22,214,549
2001	15,462,735	894,166	3,306,767	1,315,361	198,968	2,488,576	23,666,573
2002	16,976,064	859,125	3,278,069	1,452,870	219,385	1,968,446	24,753,959
2003	16,433,730	1,081,578	3,304,391	1,802,804	245,585	2,093,057	24,961,145
2004	17,296,097	1,309,257	3,041,017	2,006,060	231,300	6,194,862 (1)	30,078,593
2005	19,191,467	1,157,542	2,990,915	1,591,528	291,415	1,121,087	26,343,954

(1) Miscellaneous is unusually high because of the early pay off of a lease purchase agreement between the City and the Municipal Building Authority

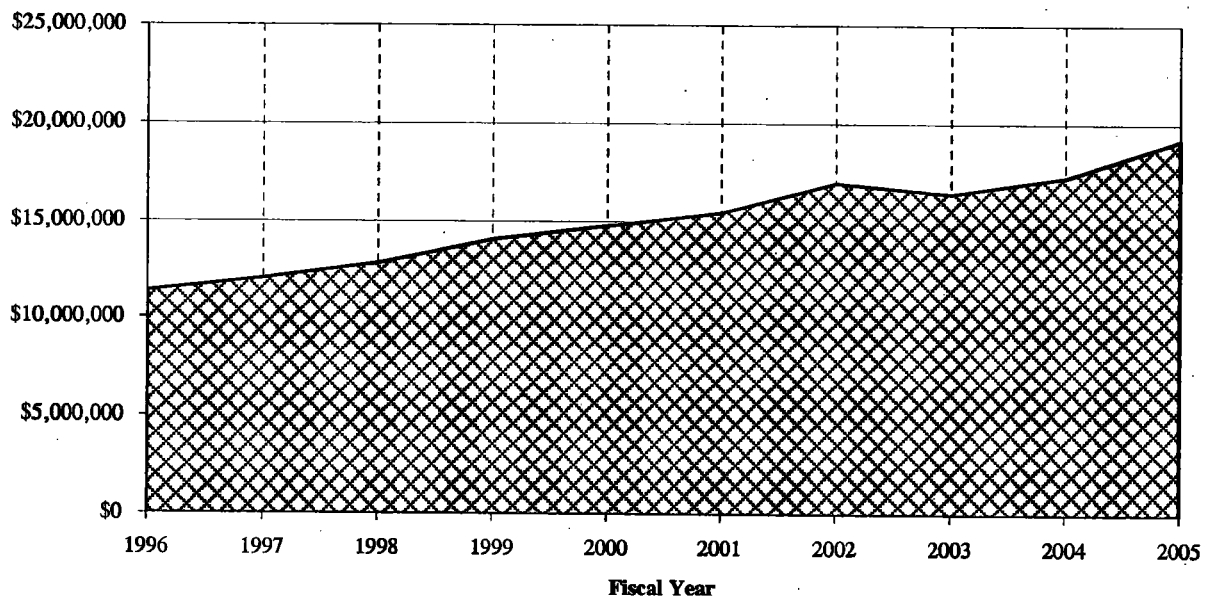


# LAYTON CITY CORPORATION

## GENERAL GOVERNMENTAL TAX AND SPECIAL ASSESSMENT REVENUES BY SOURCE LAST TEN FISCAL YEARS

Fiscal Year	Property Tax	Uniform Vehicle Tax	Sales Tax	Franchise, Telecommunications and Energy Taxes	Transient Room Tax	Payments in Lieu and Special Assessments	Total Tax Revenues
1996	\$3,147,755	\$519,176	\$6,368,847	\$1,227,526		\$110,604	\$11,373,908
1997	3,204,334	638,210	6,807,529	1,351,988		14,798	12,016,859
1998	3,458,583	647,626	7,186,556	1,490,996		13,444	12,797,205
1999	3,729,781	618,572	8,045,485	1,658,956		9,702	14,062,496
2000	3,857,700	668,355	8,671,209	1,559,271		6,697	14,763,232
2001	4,039,014	558,501	8,997,426	1,863,102		4,692	15,462,735
2002	4,413,934	642,530	9,993,773	1,919,837		5,990	16,976,064
2003	4,564,140	719,101	9,171,502	1,975,084		3,903	16,433,730
2004	4,820,801	688,173	9,597,455	2,138,152	\$48,979	2,537	17,296,097
2005	4,837,193	679,004	10,369,287	3,218,368	86,353	1,262	19,191,467

### General Governmental Tax & Special Assessment Revenues





# LAYTON CITY CORPORATION

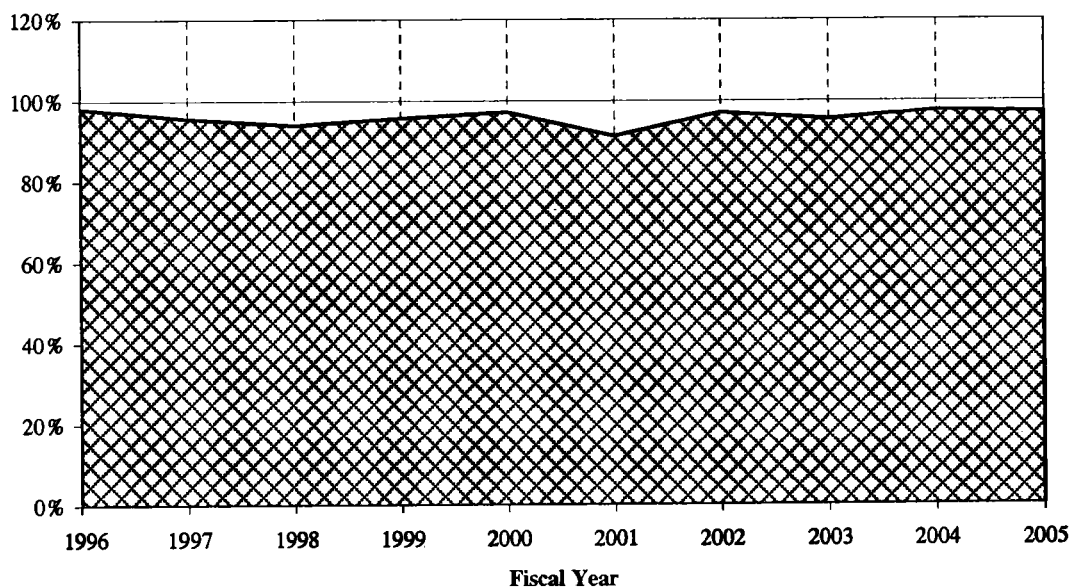
## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy	Current Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Levy
1996	\$3,209,450	\$3,072,667	95.74%	\$75,088	\$3,147,755	98.08%
1997	3,348,881	3,115,905	93.04%	88,429	3,204,334	95.68%
1998	3,678,575	3,269,217	88.87%	189,366	3,458,583	94.02%
1999	3,893,911	3,563,261	91.51%	166,520	3,729,781	95.78%
2000	3,970,641	3,737,894	94.14%	119,806	3,857,700	97.16%
2001	4,422,388	3,895,992	88.10%	143,022	4,039,014	91.33%
2002	4,545,319	4,240,120	93.29%	173,814	4,413,934	97.11%
2003	4,782,479	4,315,490	90.24%	248,650	4,564,140	95.43%
2004	4,938,559	4,643,157	94.02%	177,644	4,820,801	97.62%
2005	4,972,478 (1)	4,661,565	93.75%	175,628	4,837,193	97.28%

(1) Total tax levy for 2005 is estimated and not actual

Source: Davis County Treasurer and City

### Property Tax Collections Compared to Levies



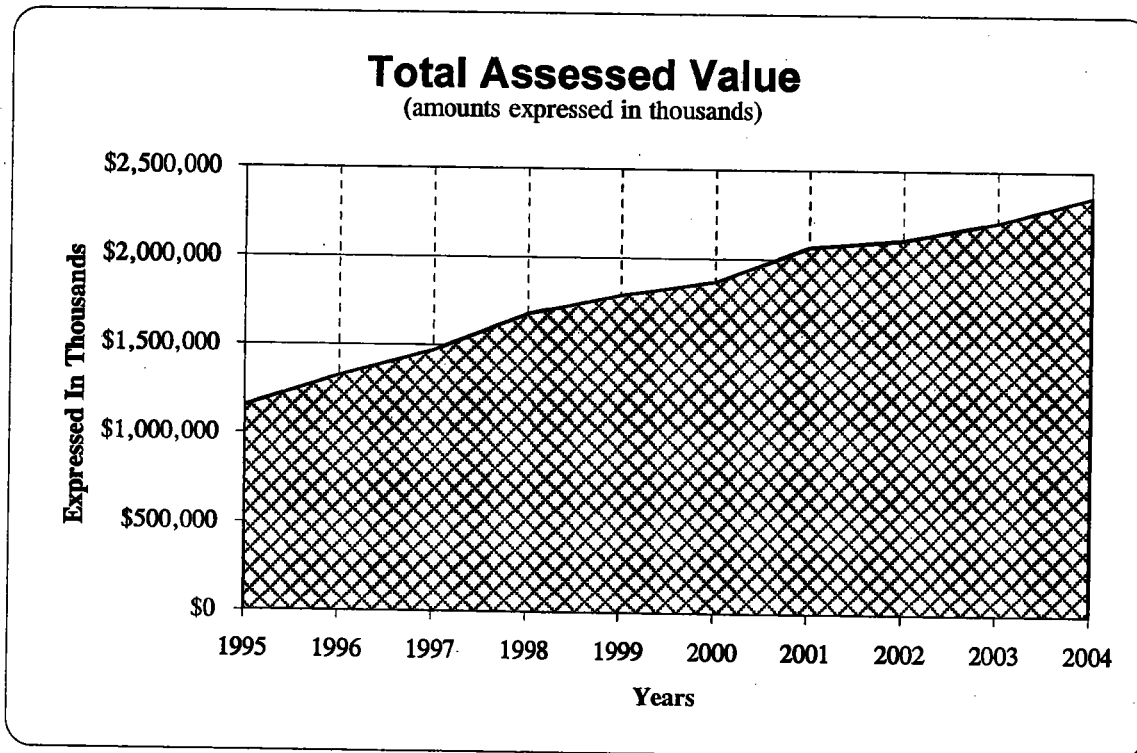
# LAYTON CITY CORPORATION

## ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY LAST TEN CALENDAR YEARS

(amounts expressed in thousands)

Calendar Year	Real Property		Personal Property		Total		Ratio of Total Assessed Value to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1995	\$1,049,267	\$1,683,181	\$104,221	\$104,221	\$1,153,488	\$1,787,402	64.53%
1996	1,221,085	1,967,611	105,134	105,134	1,326,219	2,072,745	63.98%
1997	1,347,998	2,198,924	121,454	121,454	1,469,452	2,320,378	63.33%
1998	1,537,425	2,460,043	142,289	142,289	1,679,714	2,602,332	64.55%
1999	1,642,359	2,616,109	147,122	147,122	1,789,481	2,763,231	64.76%
2000	1,732,003	2,745,472	137,414	137,414	1,869,417	2,882,886	64.85%
2001	1,909,067	2,957,377	157,469	157,469	2,066,536	3,114,846	66.34%
2002	1,965,655	3,038,209	143,546	143,546	2,109,201	3,181,755	66.29%
2003	2,082,803	3,229,152	130,284	130,284	2,213,087	3,359,436	65.88%
2004	2,220,159	3,346,562	136,042	136,042	2,356,201	3,482,604	67.66%

Source: Davis County Auditor; with 2004 estimated actual values estimated by the City



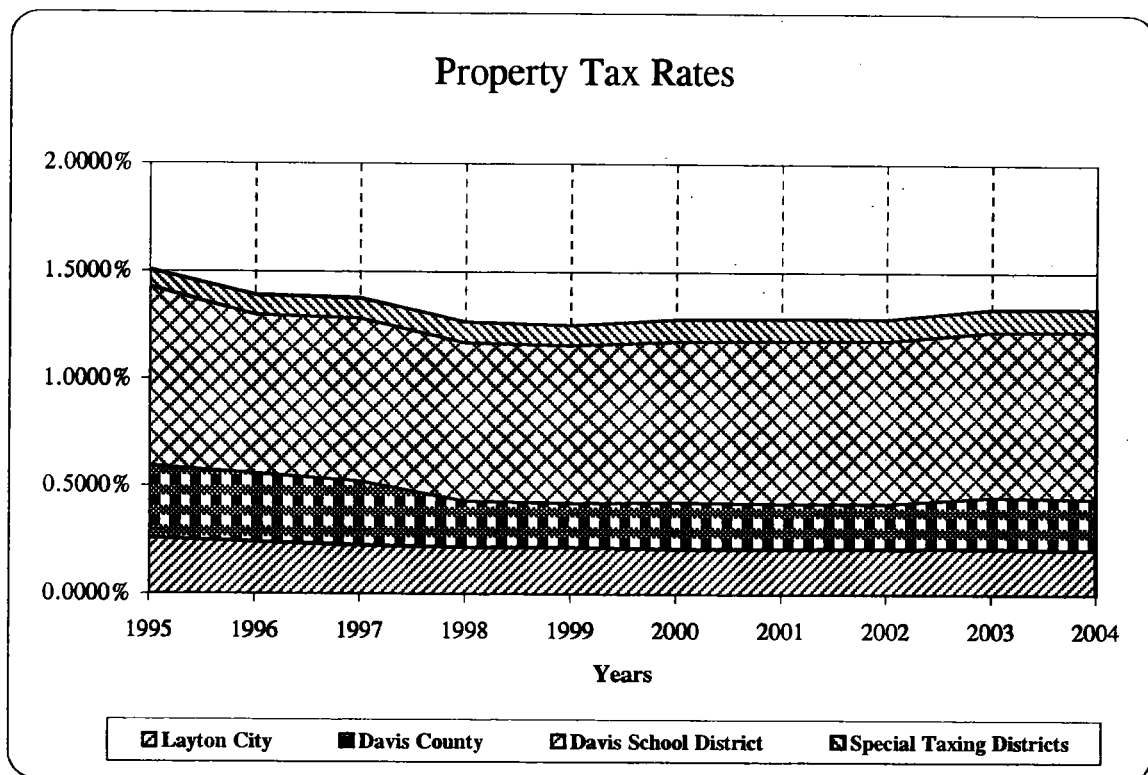
# LAYTON CITY CORPORATION

## PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

### LAST TEN CALENDAR YEARS

Calendar Year	Layton City	Davis County	Davis County School District	Special Taxing Districts	Total Levy for Layton City Residents
1995	0.2590%	0.3348%	0.8339%	0.0781%	1.5058%
1996	0.2420%	0.3169%	0.7408%	0.0920%	1.3917%
1997	0.2279%	0.2946%	0.7604%	0.0948%	1.3777%
1998	0.2190%	0.2125%	0.7393%	0.0969%	1.2677%
1999	0.2176%	0.2054%	0.7370%	0.0935%	1.2535%
2000	0.2124%	0.2145%	0.7517%	0.1025%	1.2811%
2001	0.2140%	0.2095%	0.7600%	0.1017%	1.2852%
2002	0.2155%	0.2081%	0.7610%	0.1017%	1.2863%
2003	0.2161%	0.2388%	0.7731%	0.1053%	1.3333%
2004	0.2092%	0.2380%	0.7821%	0.1054%	1.3347%

Source: Davis County Auditor



# LAYTON CITY CORPORATION

## PRINCIPAL PROPERTY TAXPAYERS

JUNE 30, 2005

Taxpayer	Type of Business	2005 Assessed Valuation	Percentage of Total Assessed Valuation
Layton Hills LLC	Retail mall	\$78,037,856	3.51%
Smith Food King (Fred Meyer)	Super markets, distribution and warehouse	47,434,173	2.14%
Davis Hospital & Medical Center	Health care, medical center	27,747,121	1.25%
Qwest Communications	Telephone utility	19,943,748	0.90%
Pacificorp	Electric utility	17,056,108	0.77%
WalMart	Variety store with groceries	16,763,840	0.76%
Summit Lodging	Hotel group	11,511,035	0.52%
Dayton Hudson Super Target	Variety store	11,438,254	0.52%
GSA Properties (Quail Cove)	Apartments	10,324,652	0.47%
HCPI/Utah LLC	Health Care Property Investments	10,077,000	0.45%
Total		<u>\$250,333,787</u>	<u>11.28%</u>

Source: Davis County Auditor

# LAYTON CITY CORPORATION

## SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year	Special Assessment Billings	Special Assessments Collected
1996	\$88,894	\$72,307
1997		14,742
1998	86,515	85,436
1999		25,430
2000		10,705
2001		9,643
2002		9,228
2003		6,743
2004		2,007
2005		748

# LAYTON CITY CORPORATION

## COMPUTATION OF LEGAL DEBT MARGIN

JUNE 30, 2005

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Assessed valuations:

Assessed value

\$2,356,200.947

Legal debt margin:

Debt limitation - 4 percent of total assessed value

\$94,248,038

Debt applicable to limitation:

Total bonded debt

\$6,660,000

Less: Revenue bonds

6,660,000

Total debt applicable to limitation

0

Legal debt margin

\$94,248,038

# LAYTON CITY CORPORATION

## RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA LAST TEN FISCAL YEARS

Fiscal Year	(1) Population	Assessed Value	Gross Bonded Debt	(2) Less Debt Service Fund	Debt Payable from Enterprise Revenues	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1996	52,500	\$1,153,488,354	\$520,000	\$59,914	\$520,000	---	---	---
1997	54,000	1,326,218,873	355,000	107,791	355,000	---	---	---
1998	55,500	1,469,452,326	85,000	1,146	85,000	---	---	---
1999	57,000	1,679,714,805	75,000	162,483	75,000	---	---	---
2000	58,474	1,789,480,984	65,000	101,780	65,000	---	---	---
2001	59,725	1,869,416,577	50,000	(4,218)	50,000	---	---	---
2002	61,857	2,066,536,588	35,000	1,861	35,000	---	---	---
2003	63,167	2,109,201,533	20,000	3,041	20,000	---	---	---
2004	64,367	2,220,158,794	---	---	---	---	---	---
2005	66,310	2,329,667,958	---	---	---	---	---	---

(1) All years are estimates of Layton City Planning Division except 2000 which is from U.S. Census Bureau

(2) Excludes amounts set aside for lease payments to the Municipal Building Authority on revenue bonds

# LAYTON CITY CORPORATION

## RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES

### LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
1996	---	---	---	\$17,493,390	---
1997	---	---	---	18,674,189	---
1998	---	---	---	22,470,237	---
1999	---	---	---	18,027,967	---
2000	---	---	---	21,435,944	---
2001	---	---	---	22,319,701	---
2002	---	---	---	24,941,030	---
2003	---	---	---	24,583,348	---
2004	---	---	---	37,349,992	---
2005	---	---	---	26,587,695	---

Note: Does not include general obligations reported in enterprise type funds.



# LAYTON CITY CORPORATION

## COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT - GENERAL OBLIGATION BONDS DECEMBER 31, 2004

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
Layton City Corporation	---	100%	---
Overlapping:			
Davis County	\$3,380,000	23%	\$777,400
Davis County School District	210,890,000	23%	48,504,700
Weber Basin Water Conservancy District	36,603,445	9%	3,294,310
North Davis County Sewer District	33,595,000	54%	18,141,300
Total overlapping	<u>284,468,445</u>		<u>70,717,710</u>
Totals	<u>\$284,468,445</u>		<u>\$70,717,710</u>

Source: Davis County Comprehensive Annual Financial Report

# LAYTON CITY CORPORATION

## REVENUE BOND COVERAGE - WATER FUND LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenues	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1996	\$2,819,472	\$1,907,383	\$912,089	\$40,700	\$17,589	\$58,289	15.65
1997	3,009,953	2,155,844	854,109	42,700	16,139	58,839	14.52
1998	2,908,152	2,184,375	723,777	32,000	14,589	46,589	15.54
1999	3,095,125	2,218,436	876,689	34,000	12,989	46,989	18.66
2000	3,626,067	2,834,959	791,108	36,000	11,289	47,289	16.73
2001	4,341,229	2,785,958	1,555,271	38,000	9,489	47,489	32.75
2002	4,085,811	3,122,518	963,293	39,000	7,589	46,589	20.68
2003	3,876,970	2,981,214	895,756	41,000	5,639	46,639	19.21
2004	4,514,200	2,956,410	1,557,790	43,000	3,589	46,589	33.44
2005	4,062,382	3,235,337	827,045	28,787	1,439	30,226	27.36

(1) Does not include depreciation or debt service

## REVENUE BOND COVERAGE - SALES TAX REVENUE AND REFUNDING BONDS SERIES 2003 CURRENT FISCAL YEARS

Fiscal Year	Sales and Use Tax Revenues	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2004	\$9,597,455		\$100,796	\$100,796	95.22
2005	10,369,287	\$1,080,000	189,442	1,269,442	8.17

Note: Sales tax revenue and refunding bonds were issued July 15, 2003

# LAYTON CITY CORPORATION

## DEMOGRAPHIC STATISTICS LAST TEN CALENDAR YEARS

Calendar Year	(1) Population	(2) Per Capita Income	(3) Median Age	(4) School Enrollment	(5) Unemployment Rate
1995	51,950	\$17,100	25.3	13,287	3.4%
1996	53,976	19,600	25.3	14,555	3.2%
1997	55,887	19,954	25.3	13,687	2.9%
1998	57,669	20,600	25.3	13,549	3.5%
1999	58,000	22,000	25.3	12,538	3.5%
2000	58,474	24,400	26.8	12,066	3.1%
2001	59,725	25,730	26.8	12,406	4.0%
2002	61,827	25,002	26.8	11,857	5.2%
2003	63,167	26,943	26.8	11,073	4.8%
2004	64,367	27,525	26.8	13,107	4.0%

(1) 2000 from census report, other years are estimates of the Layton City Planning Division

(2) Davis County Auditor

(3) 1995 to 1999 is from the 1990 census, 2000 to 2004 is from the 2000 census

(4) Davis County School District

(5) Utah Department of Workforce Services

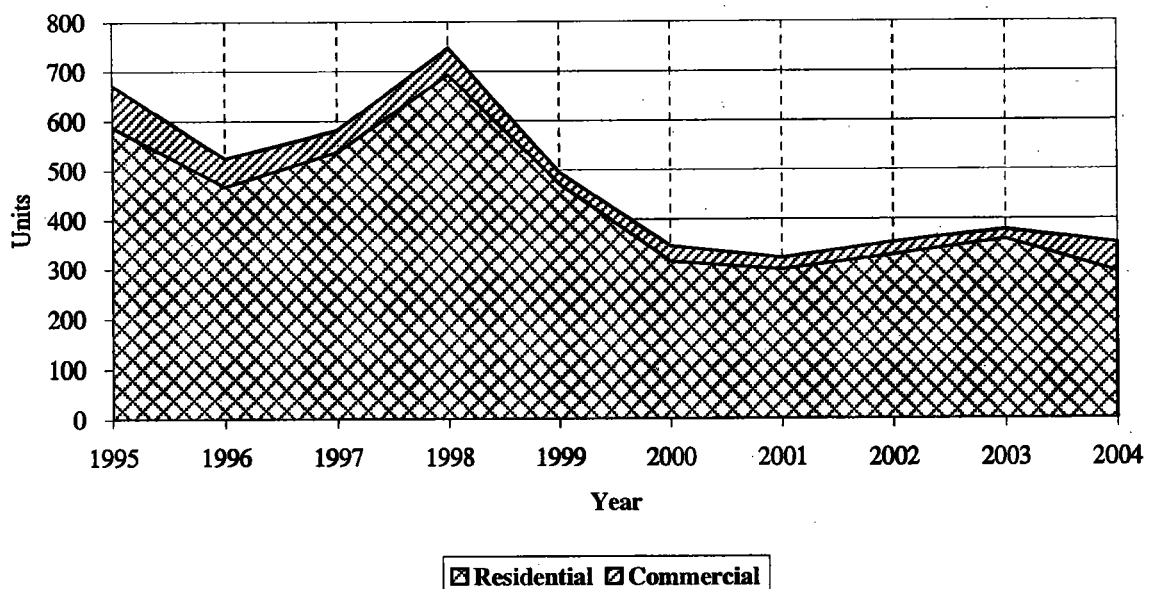
# LAYTON CITY CORPORATION

## PROPERTY VALUE AND CONSTRUCTION LAST TEN CALENDAR YEARS (amounts are expressed in thousands)

Calendar Year	Real Property Value			Commercial Construction		Residential Construction	
	Commercial	Residential	Total	Number of		Number of	
				Units	Value	Units	Value
1995	286,453	1,158,818	1,445,271	85	16,616	588	40,595
1996	314,979	1,366,956	1,681,935	57	23,282	467	40,388
1997	316,385	1,540,361	1,856,746	44	27,064	537	44,194
1998	359,593	1,759,445	2,119,038	54	22,437	693	66,887
1999	395,737	2,220,372	2,616,109	23	9,361	472	43,289
2000	500,654	2,244,818	2,745,472	31	7,722	314	32,395
2001	619,299	2,338,078	2,957,377	23	13,583	298	31,407
2002	651,257	2,386,952	3,038,209	25	17,192	327	33,993
2003	765,951	2,463,201	3,229,152	20	14,164	358	48,515
2004	821,363	2,525,199	3,346,562	57	31,699	293	43,696

Source: Davis County Auditor and Layton City Planning Division

### Residential and Commercial Construction By Units



# LAYTON CITY CORPORATION

## MISCELLANEOUS STATISTICS

Date incorporated	1920
Form of government	Council - manager by ordinance
Class of city	Third class
Population - 2000 census	58,474
Estimated population 2005	66,310

General Information	1998	1999	2000	2001	2002	2003	2004	2005
Full time employees	188	203	214	233	247	265	271	281
Area in square miles	22	22	22	22	22	22	22	22
Streets, lineal miles	204	207	211	213	216	218	221	223
Park acreage - developed	142	142	142	153	153	161	161	171
Park acreage - undeveloped	218	218	225	299	299	310	310	300
Number of parks	9	9	9	10	10	11	11	12
Swimming pools	2	2	2	2	2	2	2	2
Tennis courts	10	10	10	11	11	12	12	13
Gymnasiums	1	1	1	1	2	2	2	2
Fire protection	1998	1999	2000	2001	2002	2003	2004	2005
Number of stations	2	3	3	3	3	3	3	3
Calls answered	2,130	2,572	2,805	2,834	3,201	3,476	3,693	4,102
Training - hours	6,796	15,344	3,953	10,104	6,475	7,548	5,895	8,755
Estimated property damage - (thousands)	\$351	\$405	\$539	\$1,426	\$6,431	\$965	\$386	\$5,080
Police protection	1998	1999	2000	2001	2002	2003	2004	2005
Number of patrol units	41	42	50	53	55	51	50	50
Number of investigators	13	13	12	12	12	19	21	20
Citations issued	6,404	5,132	5,153	5,187	7,020	7,481	9,348	9,991
Arrests made	2,531	2,512	2,538	3,425	2,783	2,745	2,551	2,876
Number of incidents	39,319	39,570	42,291	39,795	50,875	48,748	51,490	50,869
Estimated theft losses - (thousands)	\$2,071	\$2,342	\$2,262	\$2,150	\$1,918	\$1,996	\$2,044	\$1,972
Estimated theft recoveries - (thousands)	\$636	\$422	\$673	\$547	\$670	\$683	\$1,229	\$825
Reportable traffic accidents	1,297	1,307	1,388	1,468	1,581	1,590	1,435	1,408
Estimated property damage loss from traffic accidents - (thousands)	\$3,631	\$3,258	\$3,278	\$3,306	\$3,440	\$3,590	\$3,998	\$4,952
Water/Sewer	1998	1999	2000	2001	2002	2003	2004	2005
Miles of water mains	216	220	226	229	232	234	239	243
Miles of sanitary sewer mains	154	157	162	165	168	169	172	174
Miles of storm sewer mains	91	97	102	105	107	108	115	118
Number of water users (units)	18,887	19,566	20,322	20,572	20,911	21,057	21,417	22,040
Number of sewer users (units)	18,764	19,498	20,252	20,502	20,841	20,987	21,342	21,965
Water storage capacity (million gallons)	16	16	16	20	22	22	22	22.5
Wells - culinary water	6	6	6	6	5	5	5	5
Average daily water consumption (million gallons)	10.0	10.0	12.0	13.3	13.3	10.8	11.1	11.2
Maximum daily water capacity (million gallons)	21.2	21.2	21.2	21.2	21.2	21.2	21.2	21.2

Source: City Departments

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# Layton City Corporation

## Compliance Reports

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# Hansen, Bradshaw, Malmrose & Erickson

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## **REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and Members of the City Council  
City of Layton, Utah

We have audited the basic financial statements of the City of Layton, Utah (the City), as of and for the year ended June 30, 2005, and have issued our report thereon dated November 3, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance** As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the City, in a separate letter dated November 3, 2005.

**Internal Control Over Financial Reporting** In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, the City Council and others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Hansen, Bradshaw, Malmrose & Erickson, P.C.*

November 3, 2005

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## **REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Mayor and Members of the City Council  
City of Layton, Utah

### Compliance

We have audited the compliance of the City of Layton, Utah (the City), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs are the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

### Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, the City Council and others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Hansen, Bradshaw, Malmrose & Erickson, P.C.*

November 3, 2005

**CITY OF LAYTON, UTAH**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2005**

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant/Program Number</u>	<u>Federal Expenditures</u>
<b><u>Expenditures</u></b>			
<b>U.S. Department of Housing and Urban Development</b>			
Community Development Block Grant	14.218	B-04-MC-49-0010	\$ <u>409,000</u>
Total Department of Housing and Urban Development			<u>409,000</u>
<b>U.S. Department of Justice</b>			
COPS in School	16.710	01-SHWX-0537	69,000
COPS FAST Universal Hiring Grant	16.710	03-UMWX0338	58,800
COPS in shops	16.710	OJJ-MJ- 82	2,182
Local Law Enforcement Block Grant	16.592	02-LBBX2166	14,937
	16.592	03-LBBX0161	7,573
Byrne Formula Grant Program	16.579	03-DB-VX-0049	128,434
	16.579	3D24	28,150
	16.579	HIDTA2004	31,050
VOCA	16.575	04-VOCA-24	<u>42,058</u>
Total Department of Justice			<u>382,184</u>
<b>U.S. Department of Homeland Security</b>			
Strike Force Homeland Security Grant	97.004	DES-04-LETP-001	134,254
Passed Through State Homeland Security - Fire, EMS Grant	97.004	ODP4-04	<u>151,505</u>
			285,759
<b>Passed Through State Department of Human Services - FEMA</b>			
Assistance to Firefighters	83.554	EMW-2003-FG- 17844	<u>12,870</u>
Total Expenditures of Federal Awards			<u><u>\$1,089,813</u></u>

**CITY OF LAYTON, UTAH**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2005**

The following are the notes to the supplementary schedule of expenditures of federal awards:

- General - The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the City of Layton, Utah (the City). The City is defined in note 1 to the basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule.
- Basis of Accounting - The accompanying Schedule of Expenditures of Federal Awards is presented using the modified-accrual basis of accounting for expenditures in governmental fund types, which is described in note 1 to the City's basic financial statements.
- Relationship to Basic Financial Statements - Federal financial assistance expenditures can not be directly reconciled to the basic financial statements. Intergovernmental revenues include federal revenues for governmental fund types.

**CITY OF LAYTON, UTAH**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2005**

**SUMMARY OF AUDITOR'S RESULTS**

Type of report issued on the financial statements:	An unqualified opinion was issued on the financial statements of the City.
Reportable conditions in internal control:	None.
Noncompliance:	No instances of noncompliance were found which were material to the financial statements of the City.
Type of report issued on compliance for major programs.	An unqualified opinion was issued on compliance for the major program.
Audit findings:	No audit findings required to be reported under OMB Circular A-133 or <i>Government Auditing Standards</i> .
Major Programs:	Major programs includes: Community Development Block Grant CFDA #14.218
Dollar threshold - type A and type B programs:	\$300,000
Qualification of auditee:	The City qualified as a low-risk auditee under OMB Circular A-133.

**FINDINGS RELATING TO FINANCIAL STATEMENTS**

No findings or questioned costs are required to be reported under *Government Auditing Standards*.

**FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

No findings or questioned costs related to federal awards that are required to be reported under OMB Circular A-133 were noted during the audit.

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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON STATE OF UTAH STATE LEGAL COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members of the City Council  
City of Layton, Utah

We have audited the basic financial statements of the City of Layton, Utah (the City) for the year ended June 30, 2005, and have issued our report thereon dated November 3, 2005. As part of our audit, we have audited the City's compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2005. The City received the following major State assistance program from the State of Utah:

### B & C Road Funds (Department of Transportation)

Our audit also included testwork on the City's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

Cash Management	B & C Road Funds
Budgetary Compliance	Other Compliance Requirements
Truth in Taxation and Property	Impact Fees
Tax Limitation	Uniform Building Code Standards
Liquor Law Enforcement	Purchasing Requirements
Public Debt	

The management of the City is responsible for the City's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

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The results of our procedures disclosed an immaterial instance of noncompliance with the requirements referred to above, which is described in the accompanying Schedule of Findings. We considered this instance of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the City of Layton, Utah, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended June 30, 2005.

*Hansen, Bradshaw, Malmrose & Erickson, P.C.*

November 3, 2005

**CITY OF LAYTON, UTAH**  
**Schedule of Findings**  
**Year Ended June 30, 2005**

1.     **Budgetary Compliance**

**Finding:** In accordance with State law, officers and employees of an entity shall not incur expenditures or encumbrances in excess of the total appropriation for any department or fund. For the year ended June 30, 2005, expenditures exceeded budgeted amounts in the General Fund fire department by \$24,062.

**Recommendation:** The City should monitor the status over expenditures as compared to budget through the year.

**Management's Response:** The expenditure in excess of budget was an inadvertent oversight. It resulted from an incorrect estimate of personnel costs in the fire department that included the accrual of unpaid wages and benefits at June 30, 2005. The overage was not discovered until after the accrual entry was posted and the time for making amendments had passed. The financial department will monitor the personnel costs and estimates closer in the future.